Unemployment Insurance Review

October 1967

In this issue

UI: A Look at the Past and Future
—*Arthur J. Altmeyer*

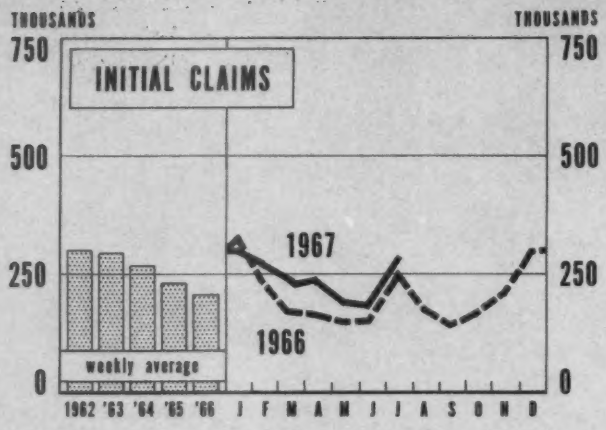
Temporary Disability Insurance Programs

California Farmworkers and Disability Insurance

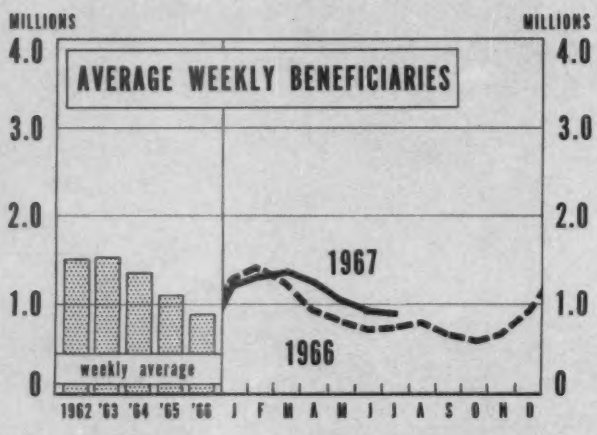
UNITED STATES DEPARTMENT OF LABOR
Manpower Administration

UNEMPLOYMENT INSURANCE ACTIVITIES

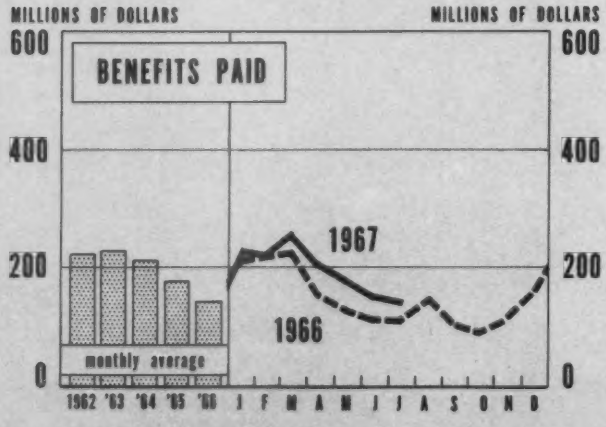
UNDER STATE PROGRAMS



Initial claims under State programs rose substantially more than seasonally between June and July by 101,400 to an average of 287,700 per week, compared to a volume of 248,900 in July 1966.



The number of beneficiaries averaged 906,500 per week in July, 18,700 below the June figure but 187,000 above the volume a year earlier. Except for July 1966 this figure was the lowest for the month since 1953.



In July, benefit payments to jobless workers insured under State programs amounted to $147.3 million, nearly 6 percent below the figure for June but 29 percent above the total for July 1966.

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President Franklin D. Roosevelt signing the Social Security Act, August 14, 1935. Titles III and IX of this act provided the basic framework for the Federal-State unemployment insurance program.

Arthur J. Altmeyer, who retired as Commissioner of Social Security in 1953, occupies a unique position in the UI program's history. As Assistant Secretary of Labor, 1934–35, and as Chairman of the Technical Board that assisted the Committee on Economic Security appointed by President Roosevelt to recommend proposals for the economic security of individuals, he was intimately associated with the creation of the 1935 Social Security Act that chartered the unemployment insurance program in the United States. He was one of the three original members of the Social Security Board in 1935 and later its Chairman from 1937 to 1946, when the Board was abolished and he became Commissioner of Social Security. As Commissioner of Social Security, Dr. Altmeyer was responsible for the overall direction of the unemployment insurance program from 1946 until it was transferred with the Bureau of Employment Security to the Department of Labor in 1949. He continues actively as visiting professor and consultant on social security to the United Nations, to the United States and foreign governments, and to nongovernmental groups in the United States and abroad. Dr. Altmeyer's views are his own and do not necessarily reflect the views of the Bureau of Employment Security.

Unemployment Insurance:

A Look at the Past and Future

Arthur J. Altmeyer

A LOOK at the past is justified only if it helps us to understand the present and plan for the future. So I shall try to avoid personal reminiscences, regardless of how interesting they may be to me if not to the reader.

I was fortunate enough to have participated in the development of the Social Security Act passed in 1935 and to have been in charge of its administration until 1953. I mention this because I believe that, in order to understand why we have the present unemployment insurance system, it is necessary to know that unemployment insurance was one of 10 programs included in the Social Security Act. I think it is also necessary to bear in mind the fact that at the time of the enactment of the Social Security Act the Nation was in the throes of the Great Depression, with one out of every three workers unemployed and one out of every five families being supported by relief payments or by earnings from work-relief projects.

The Social Security Act undertook to establish a long-range program to prevent destitution from occurring in the future due to unemployment and old age by establishing a contributory social insurance system compensating for loss of income caused by these hazards. It was intended that later the social insurance provisions of the Social Security Act would be expanded to cover loss of income due to sickness, disability, or death of the breadwinner, and also the cost of medical care.

A comprehensive social insurance system of this kind would constitute a first line of defense against destitution. However, it was recognized that some hazards such as child dependency due to family breakup could not be covered. It was also recognized that some workers would not be covered or, if covered, the insurance benefits would not always be sufficient to meet actual need in individual cases. Moreover, there were millions of aged and disabled persons who were already out of the labor force and

in need of assistance. So there was also included in the Social Security Act a system of public assistance consisting of cash grants based on individual need, to provide a second line of protection against destitution not prevented by social insurance.

There were also included in the act some constructive social services, such as vocational rehabilitation, maternal and child health and welfare services, and public health services, which would help to eliminate some of the causes of destitution.

It was recognized that unemployment insurance could not insure the 13 million already unemployed, any more than fire insurance could insure a building already on fire. It was also recognized that unemployment insurance could provide protection for only a limited period of time and could not solve the problem of extended unemployment. Therefore, it was contemplated that the existing public works programs, such as the Works Progress Administration (WPA) and Public Works Administration (PWA), would be continued and expanded. President Roosevelt visualized that an unemployed worker who had exhausted his insurance benefits would be given a green ticket entitling him to a job on a public works project, thus providing a smooth and constructive transition. He never explained why the ticket should be green!

It was also contemplated that the work experience and training programs of the Civilian Conservation Corps (CCC) and the National Youth Administration (NYA) would be continued. Likewise, it was assumed that the Resettlement Administration, later called the Farm Security Administration, would handle the special problems of farmers through grants, loans, resettlement, and other forms of assistance. If they had been continued we would be much farther along the road toward the abolition of poverty than we are today.

The Social Security Act covered the two hazards of unemployment and old age under two completely separate insurance systems: Unemployment, covered by a Federal-State system; and old age, by a straight Federal system. This has continued to be the situation ever since.

A Federal-State UI System

There were three main reasons why the unemployment insurance system was made Federal-State in character. The overarching reason was fear that a straight Federal system would be declared unconstitutional. The second reason was that there was considerable disagreement as to major substantive questions, such as what the scale of benefits should be; whether unemployment benefits should provide protection against short-term or long-term unemployment; whether there should be employee contributions and perhaps government contributions in addition to employer contributions; and what type, if any, of employer experience rating should be permitted. Therefore, it was thought that a system permitting the States to experiment would result eventually in all the States benefiting from the best experience in any State. The third reason was that State administration was considered more feasible than straight Federal administration.

Because of the great fear that even a Federal-State system would be declared unconstitutional if State laws were required to comply with Federal benefit standards, none was included. But it was felt that a separate title in the Social Security Act providing for a Federal grant to the States to cover 100 percent of the cost of administration could include a requirement of methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) "as are found by the [Social Security] Board to be reasonably calculated to insure full payment of unemployment compensation when due." The Social Security Board interpreted this language to mean that it had no control over the conditions of employment of specific individuals but that it could require a State to establish a merit system for all employees administering unemployment insurance.

The Federal grants title also included a requirement for the "payment of unemployment compensation solely through public employment offices in the State or such other agencies as the Board may approve." The Board required the States to affiliate with the U.S. Employment Service and to pay benefits through public employment offices of that service. It rejected proposals of States to pay benefits through other offices, such as relief offices and State liquor offices.

President Roosevelt's Committee on Economic Security which developed the recommendations incorporated in the Social Security Act had suggested that States which wanted to encourage stabilization of employment by allowing lower contribution rates to employers with favorable experience should be permitted to do so. (However, the President's Committee recommended

Members of the first Social Security Board, created in August 1935: (left to right) Arthur J. Altmeyer, John G. Winant (Chairman), and Vincent M. Miles.

that all employers covered by the State law be required to pay 1 percent into a pooled fund as a condition for being permitted to claim the 2.7-percent offset against the Federal unemployment tax of 3 percent.)

The House Ways and Means Committee did not accept this suggestion, on the grounds that it was contrary to the main purpose of levying a uniform Federal unemployment tax which was to protect employers against unfair interstate competition from employers in States that levied lower rates.

But the Senate Finance Committee, upon the urging of Senator LaFollette of Wisconsin whose law was based on employer experience rating, approved an amendment to the House bill permitting States to allow reduced rates on the basis of "compensation experienced." The LaFollette amendment (which did not include the requirement that 1 percent be paid into a pooled fund) was accepted by the House conferees and became part of the Social Security Act.

The employer experience-rating provisions were amended in 1939 to allow reduced rates on the basis of "experience with respect to unemployment or other factors bearing a direct relation to unemployment risk." But it should be noted that both the 1935 and 1939 language did not specifically state that an employer's experience should be related to fluctuations in his payroll.

Because of subsequent developments, it is important to point out that the original Social Security Act levied the Federal unemployment tax on the entire payroll of employers subject to the tax and that it was not until 1939 that the $3,000 maximum was inserted in the law. The reason for the 1939 change was to make the unemployment tax conform to the old-age and survivors insurance tax which had a $3,000 maximum. At that time 98 percent of the entire payrolls of subject employers was included even with a $3,000 maximum.

The Program Today

I hope that the foregoing brief account will throw some light on why we have our present form of unemployment insurance. Now I should like to examine, in the light of experience, the validity of the policy decisions made a third of a century ago. I still think that the reasons for the decision to establish a Federal-State system were valid in view of the knowledge and conditions existing at that time. I do not think they are valid today.

Obviously, the fear that a straight Federal system would be declared unconstitutional is no

longer a valid reason since the old-age insurance system, which had to be national in character because of actuarial considerations, has been held to be constitutional. Neither is the inability to agree upon the general character of the benefit and eligibility provisions any longer a valid reason. There is now ample experience upon which to reach intelligent decisions. These would have the great virtue of being consistent throughout the United States so that employees and employers in similar circumstances would be treated similarly. Likewise, the unfeasibility of straight Federal administration is no longer a valid reason in view of the successful administration of the Federal old-age, survivors, and disability insurance and the Federal medicare program.

Unfortunately, the fear of the House Ways and Means Committee that allowing employers lower contribution rates because of favorable unemployment experience would nullify the effect of a uniform Federal tax in preventing unfair interstate competition has proved to be justified. Any hope that employers with the same experience in different States would pay the same rate was soon dissipated. Instead, employers with the same experience pay widely differing rates.

But, much worse, the opportunity provided for employers to obtain the full 2.7-percent offset against the Federal unemployment tax even though they paid less than 2.7 percent in State unemployment insurance contributions has created not only an incentive for tax avoidance but a deterrent to the payment of adequate unemployment benefits. This is because all States except four allow employers reduced rates on the basis of benefit payments to employees, instead of fluctuations in payroll, thus creating an incentive to keep the benefit provisions low.

The most recent data show that a majority of the States which compensate for a smaller proportion of the weekly wage loss than the national average for all States also have contribution rates lower than the national average of 1.2 percent of total payroll. In fact, four States that pay lower benefits than the national average have contribution rates as low as 0.4 percent, 0.5 percent, or 0.6 percent.

These undesirable effects are all the more unfortunate because no evidence has developed throughout the years that employer experience rating has actually led to stabilization of employment. This has caused advocates of employer experience rating to emphasize the "social cost" justification for employer experience rating; namely, that consumers should pay the full cost of production including the cost of irregular employment. However, there is a basic inconsistency between the stabilization and the social cost rationale. The stabilization argument assumes that the employer cannot shift the cost of the unemployment tax and the social cost argument assumes that he can shift it to consumers.

Because the reasons which were controlling in the great policy decision to establish a Federal-State system no longer seem to me to be valid I am forced to conclude that a straight Federal system would more effectively enable the Federal Government to discharge its responsibility for the relief and prevention of unemployment. To my mind a straight Federal system has these advantages:

1. It would assure that employees with equivalent wage losses would receive the same benefits regardless of where they live.

2. It would assure that all employers with the same unemployment experience would pay the same rate of contribution, thus preventing unfair interstate competition.

3. It would assure the maximum spreading of the risk, thus providing the maximum protection at the minimum cost.

4. It would assure better protection to workers moving from one State to another.

5. It would assure simpler and more efficient administration because records could be centralized and standardized. Employers could make one payroll report for both unemployment insurance and old-age, survivors, and disability insurance; and employers operating in more than one State would need to make payroll reports and contributions to only one agency of the Government.

However, there are many who believe there are inherent advantages in a Federal-State system which make it superior to a straight Federal system. These inherent advantages, as I understand the proponents, are briefly as follows:

1. State programs allow opportunity for experimentation in both substantive provisions and administration so that all States can benefit from the best experience in any one State and not suffer from the bad experience in any one State.

2. State laws are better adapted to conditions in each State.

3. State laws reflect more fully the wishes of the people in each State.

4. State administration is more understanding and responsive to conditions in the State and the needs of persons affected by the law.

5. A straight Federal law would accentuate a trend toward centralized government.

Regardless of differing views, I am sure that both those who favor a straight Federal law and those who favor a Federal-State program would agree that the primary purpose of an unemployment insurance system is to provide adequate protection against loss of income to those who are involuntarily unemployed. Therefore, I think we should examine the present system to see how well it has achieved this primary purpose.

When the Social Security Act was passed, estimates of the future rate of unemployment that might be expected were very high. As a consequence, the Social Security Board was extremely conservative in its recommendations to the States regarding waiting period and duration. But it did recommend that the weekly benefit amount should be 50 percent of the full-time weekly earnings, subject to a maximum of $15 (which at that time represented 60 percent of average covered wages in the United States). Experience demonstrated that the average weekly benefit amounted to 41 percent of the average weekly wage in 1939. But since then this percentage has declined, and in 1965 it was 35 percent. This is due, largely, to the fact that the maximum weekly benefit payable has not increased in proportion to the average weekly wage. In 1939 only two States had a maximum weekly benefit lower than 50 percent of the average weekly wage. In 1965 the maximum weekly benefit was less than 50 percent of the average weekly wage in 34 States.

The duration of benefits has been increased. But the eligibility requirements have also been increased. The result has been that more than a fifth of the beneficiaries exhaust their benefits before they find another job.

The coverage of the State laws has increased, largely due to Federal legislation extending the unemployment tax law to cover employers of four or more workers and extending the benefits of the State laws to Federal civilian employees and ex-servicemen. Some States on their own initiative have extended the coverage of their laws to cover employers of less than four workers, and also State and local government employees. However, there are still about 15 million workers not covered under either the State laws or the Federal programs,

Arthur J. Altmeyer being sworn in as Assistant Secretary of Labor, June 8, 1934, by Chief Clerk Samuel Gompers (son of the famed president of the AFL) in the presence of Secretary of Labor Frances Perkins.

which amounts to almost one-fourth of those working for others in the United States.

Because of the limited duration of benefits and the limited coverage of the State laws, more than half of those unemployed are not drawing any State unemployment benefits. Since those who are drawing benefits receive benefits covering only 35 percent of their wage loss, the final result is that less than 20 percent of the total wage loss in this country due to unemployment is compensated through unemployment insurance.

Whether or not one favors a Federal-State system or a straight Federal system, I would hope all would agree that the evidence indicates the protection against wage loss due to unemployment now being provided is inadequate. I would also hope that, instead of arguing the respective advantages and disadvantages of the two systems, all would join in suggesting amendments to the present Federal law which would improve the protection now being provided. It seems to me that those who favor a Federal-State system should recognize that improving the present system is the surest way to prevent its being superseded by a straight Federal system because of its inadequacies. Likewise, it seems to me that those who favor a straight Federal system would welcome any improvements in the present system which achieved some of the advantages claimed for a straight Federal system.

Improvements Needed

To my mind, the fundamental weakness in the present Federal law is its failure to establish minimum benefit standards. This failure, plus the failure to require that lower contributions be allowed employers only in accordance with stabilization of employment and not by benefits paid, is largely responsible for the inadequacies of the present State laws. If there is objection to any Federal benefit standards whatsoever then the Federal law should be amended to allow credit against the 2.7-percent Federal unemployment tax for only the average statewide cost of benefits actually paid under a State law. That is, if the average statewide cost is only 1.3 percent of payroll in a particular State, then employers in that State should be allowed only 1.3 percent maximum offset.

If there is objection to specific standards, it would be possible to allow the States latitude in developing benefit formulas, so long as certain objectives were met. Thus a State could have any benefit formula that resulted in the average weekly benefit amounting to 50 percent of the average weekly wage in that State. Likewise a State could have either a variable or uniform duration of benefits, so long as no more than 10 percent of claimants exhausted their benefits before finding a job.

I believe that the Federal standards should include a maximum on the number of weeks of employment that a State could require to be eligible for weekly benefits. The Federal standards should also prescribe limits on the number of weeks a worker could be disqualified for voluntarily leaving employment, discharge for misconduct, and refusal to accept suitable work.

If the State laws were required to comply with Federal minimum benefit standards, it would, of course, be not only fair but necessary that the Federal Government insure the States against excessive costs. Thus, a State could be reimbursed for two-thirds of its costs in excess of a certain percentage of total payroll, such as 2 percent.

In addition to Federal benefit standards, I believe that the Federal unemployment tax should apply to the total payroll, not only for strictly fiscal reasons, but also because of the adverse effect of a maximum limit on the general level of benefits and the adverse effect on low-wage industries. Moreover, to the extent the tax is shifted to wage earners, a maximum limit is clearly regressive in effect, since it results in taking a higher percentage of the income of workers with low yearly incomes than of those with high yearly incomes.

I also believe that the coverage of the Federal Unemployment Tax Act should include all employees except those insured under other Federal programs. There is no reason from an administrative standpoint why all employees should not be covered and there is every reason from a social standpoint why they should.

I realize that many employers, State officials, and others are likely to be opposed to the suggestions I have made, for various reasons: Some for administrative reasons, some because of basic disagreement as to the desirability of the Federal Government assuming any further authority or responsibility, some because they believe the present program is adequate, and some because they believe the cost of my suggestions would be excessive. I cannot hope to satisfy all those who are opposed for these reasons. However, I think it is

proper that I say something about costs and how I think they should be borne.

I think the increased cost of unemployment insurance benefits under State laws improved as I have suggested would be less than 1 percent of the total payrolls of employers subject to the Federal law. Of course, the percentage would vary in the various States. Therefore, I believe the Federal Government should share two-thirds of the cost in any State above 2 percent of total payroll. If this were done, I believe the cost to even the highest cost State would be below 2.7 percent.

I do not think the cost to the Federal Government of paying two-thirds of the cost of benefits in excess of 2 percent of payroll would exceed 0.15 percent of total payroll. My feeling is that this cost should be borne out of general revenues, so that the low cost States would not feel that they were helping finance the benefits paid in high cost States. This could also be justified because most of the cost of the Employment Service is financed under the Federal Unemployment Tax Act although an increasing proportion of its activities are not related to the reemployment of workers covered by unemployment insurance.

If the duration of benefits under State laws is not increased so that not more than 10 percent of the beneficiaries exhaust their benefits under State laws, it would, of course, be desirable to establish a Federal system of extended benefits. I believe that such extended benefits should be paid in nonrecession periods as well as recession periods. The data available indicate that, contrary to some expert opinion, the characteristics of beneficiaries who exhaust their benefits are not much different in nonrecession periods than in recession periods. Certainly as individuals they are just as much in need of protection.

But it is highly important that long-term beneficiaries be given particular attention to determine whether their continued unemployment is due to lack of necessary skills or general decline in local employment opportunities. This has always been necessary, but it is only since 1961 that Federal legislation has provided the means to deal constructively with the problem of long-term unemployment. The Area Redevelopment Act of 1961, later the Appalachian Development Act, and now the Public Works and Development Act, all are designed to promote greater employment opportunities in depressed areas. Likewise, the Manpower Development and Training Act of 1962, which has been broadened several times, provides for assistance through counseling, training and retraining, and relocation of workers. This act not only provides funds for the personnel necessary to provide this assistance, but it also provides for loans and grants to the individuals being assisted. Before the passage of this act local vocational education agencies lacked the necessary funds. Much worse, all the State unemployment insurance laws, with three exceptions, denied unemployment compensation to workers undergoing training on the grounds they were unavailable for work.

Role of the Employment Service

This brings me to a discussion of the relationship between the Employment Service and the unemployment insurance system. There is no question that the Employment Service should be more than simply a work test agency to determine the ability and willingness of a compensation applicant to accept suitable employment. It is also desirable that it should be not only a labor exchange but also a manpower agency concerned with the development and utilization of the Nation's manpower resources. This has led some experts to conclude that there should be complete separation of the Employment Service from the unemployment insurance system.

The argument is made that the close relation that now exists has resulted in the subordination of the Employment Service, preventing it from developing its full potential and creating an unfavorable "image" in the minds of workers, employers, and the public (often being referred to as the "unemployment office"). It is contended that this is the reason for its low "penetration rate" (that is, proportion of total job openings it fills) and for the large proportion of its placement consisting of dayworkers and unskilled workers.

There undoubtedly is some validity to this argument. But I think that sufficient funds, proper administration, proper layout, and proper location of offices can not only prevent the Employment Service suffering from its relationship with unemployment insurance but can aid it in carrying out its proper function. I think the low "penetration rate" is due basically to the fact that the Employment Service is a public agency charged with performing a public function. As such, it must serve all workers, including the hard-to-place workers. It must serve all employers, not simply the ones who pay the highest wages. But it cannot

accept orders from employers who discriminate or offer substandard wages. Nor can it aid employers who pirate from other employers, regardless of whether it is to the real advantage of a worker to change employers.

I have always felt that the Employment Service was benefited rather than hampered by its close relationship to unemployment insurance. When the Social Security Act was passed there were in operation only 232 offices, and these were very much understaffed. This had made it necessary to establish a National Reemployment Service for the purpose of referring unemployed workers to relief projects.

As already stated, the Social Security Board recognized the need for a public employment service which served not only unemployed workers drawing unemployment benefits but also all workers and employers. It therefore required all State unemployment insurance systems to use the Employment Service and made funds available for its operation out of the proceeds of the Federal unemployment tax. Except during World War II, these funds have constituted the bulk of its support.

While some may complain that the offices are called "unemployment offices," it must also be recognized that the unemployed workers who are required to register at these offices have had recent attachment to the labor force. Therefore, they cannot be considered unemployable and they do constitute a pool of available manpower.

Moreover, it must never be forgotten that the payment of unemployment insurance, while the Employment Service is undertaking to place the unemployed worker or to work out a plan for training or retraining or relocation, is an invaluable aid to the Employment Service in carrying out these functions. Likewise, the close relationship in each State of the Employment Service to the State unemployment insurance program has made it possible to use these agencies for the payment of the new manpower training allowances made available since 1961, instead of it being necessary to set up a new benefit-dispensing organization. So I think it is fair to say that, working closely together, the State employment services and unemployment insurance offices are helping mightily to solve the problem of unemployment, which probably is the most serious single cause of poverty, from the standpoint of both the individual and of society.

Conclusion

In concluding this discussion of the past and future of unemployment insurance, I realize that by emphasizing the ways it could be improved I have not done justice to its great achievements. It enabled the Nation to convert from a peacetime to a wartime economy in 1940 with a remarkably small amount of distress on the part of workers temporarily unemployed. Likewise, in 1945 it enabled the Nation to reconvert to a peacetime economy with a minimum degree of hardship on the part of workers. It helped the country to weather three recessions in 1949–50, in 1958, and in 1961.

The State employment security agencies successfully assumed the task of administering the servicemen's readjustment allowances program after World War II and the Veterans' Readjustment Assistance Act of 1952. They are now administering unemployment compensation for Federal employees and ex-servicemen's unemployment compensation programs.

These tasks could not have been performed successfully if there had not been in existence a nationwide system of unemployment insurance administered by dedicated and competent men and women. The establishment of the State employment security agencies in accordance with a merit system for employees has not only been responsible for the high quality of the personnel employed in these agencies but it has had a major influence in the development of civil service systems for all State employees throughout the Nation.

Throughout all the years the State officials and the Federal officials have worked hand-in-hand to perform their common mission, which is to carry out the legislative mandate contained in the Social Security Act "to insure the full payment of unemployment compensation when due." I am sure they will continue to be true to their trust in the years ahead.

Temporary Disability Insurance Programs

Saul J. Blaustein

This article is an adaptation of the author's testimony before the Nevada State Assembly Committee on Labor, March 21, 1967, and the Hawaii House Committee on Labor and Employment Problems, March 28, 1967. The author appeared as the representative of the Director of the Unemployment Insurance Service of the Bureau of Employment Security in response to the invitation of both legislative committees to provide information about temporary disability insurance programs in the United States and observations with respect to proposals for such programs pending before their respective legislatures.

ALTHOUGH the Department of Labor has no specific statutory authority or jurisdiction in the area of temporary disability insurance, it is nonetheless vitally concerned about this matter as it affects the welfare of the Nation's workers. Protection against wage loss due to nonoccupational illness or injury is the only major gap in the present structure of social security in the United States. American workers, by and large, now enjoy a measure of protection against the economic consequences of unemployment, occupational disability, long-term permanent disability, and old age. Protection against these hazards, which interrupt or terminate earnings, is well established and well accepted in our society. But workers, generally, do not enjoy adequate protection against the risk of wage loss due to non-work-connected disability, a risk to which all of us are nearly equally subject. The gap is a glaring one. While in this country this form of social insurance is the last to be considered, in most other nations it has been among the first programs to be established. Over 60 countries now provide their workers with some form of protection against income loss due to such disability, as compared with only 22 countries which provide unemployment insurance.

A standing statement of Federal policy in the field of employment security contains, as one objective, the promotion of the establishment of programs providing temporary disability insurance protection to the Nation's workers. The Bureau of Employment Security continues to pursue that objective and believes its attainment will come

Mr. Blaustein, now with The W. E. Upjohn Institute for Employment Research, was, until August 1967, Assistant Director for Program Research, Office of Program Development and Legislation, Unemployment Insurance Service, Bureau of Employment Security.

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Saul J. Blaustein

This article is an adaptation of the author's testimony before the Nevada State Assembly Committee on Labor, March 21, 1967, and the Hawaii House Committee on Labor and Employment Problems, March 28, 1967. The author appeared as the representative of the Director of the Unemployment Insurance Service of the Bureau of Employment Security in response to the invitation of both legislative committees to provide information about temporary disability insurance programs in the United States and observations with respect to proposals for such programs pending before their respective legislatures.

ALTHOUGH the Department of Labor has no specific statutory authority or jurisdiction in the area of temporary disability insurance, it is nonetheless vitally concerned about this matter as it affects the welfare of the Nation's workers. Protection against wage loss due to nonoccupational illness or injury is the only major gap in the present structure of social security in the United States. American workers, by and large, now enjoy a measure of protection against the economic consequences of unemployment, occupational disability, long-term permanent disability, and old age. Protection against these hazards, which interrupt or terminate earnings, is well established and well accepted in our society. But workers, generally, do not enjoy adequate protection against the risk of wage loss due to non-work-connected disability, a risk to which all of us are nearly equally subject. The gap is a glaring one. While in this country this form of social insurance is the last to be considered, in most other nations it has been among the first programs to be established. Over 60 countries now provide their workers with some form of protection against income loss due to such disability, as compared with only 22 countries which provide unemployment insurance.

A standing statement of Federal policy in the field of employment security contains, as one objective, the promotion of the establishment of programs providing temporary disability insurance protection to the Nation's workers. The Bureau of Employment Security continues to pursue that objective and believes its attainment will come

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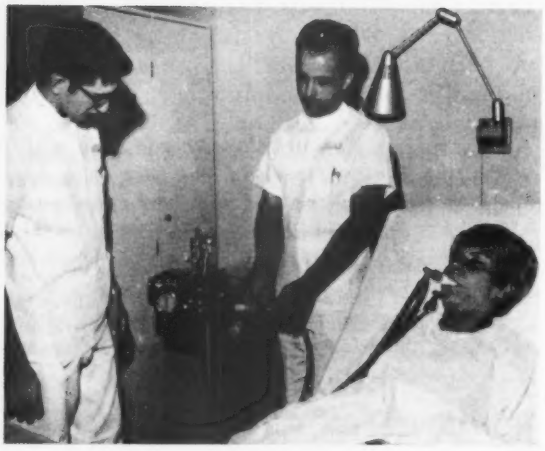
sooner or later. The Bureau therefore lends its support to efforts directed toward filling this void by supplying technical assistance, information, and observations to State legislative bodies considering such programs.

The Need for Protection

It is not necessary to dwell very long on the nature of the hazard of wage loss due to non-work-connected disability, or on its extent among workers. The fact that two States—Hawaii and Nevada—have under serious consideration legislative proposals to provide temporary disability insurance is evidence of the fact that these States are well acquainted with the substance of that need. Suffice to say that everyone is subject to the kind of illness or injury that for a time can limit or deprive one entirely of his ability to work. Mercifully, such events are not likely to occur often or to last for a long period of time. However, hardly anyone will escape at least one episode of this nature in the course of one's working life. Most of those employed in government service (Federal, State, or local) are well taken care of by sick leave. It is so easy to take such protection for granted. By imagining a situation without such provision for sick leave and no other form of income insurance, one can readily appreciate the kind of havoc that a total loss of earnings, lasting for several weeks or so, could play on a worker's income and his family's welfare, particularly if there has been little opportunity to save for this purpose. Such is the lot of millions of workers today.

Surveys by the U.S. Public Health Service of the incidence of disabling illness or injury generally reveal that during the course of a year some 15 percent of the population experience disability serious enough to require confinement to bed or hospitalization. The incidence rate is 30 percent when measured by any restriction of normal activity due to disability, such as inability to work, although not necessarily requiring bed confinement. The rate of incidence is highest for the youngest and the oldest age groups, and higher for women than men. It is also higher for lower income groups.

Most periods of disability are of short duration. Among workers unable to work because of temporary illness or injury, generally about three-fourths of them are back on the job in less than 7 days.



SELECTED DATA ON PROVISION OF PROTECTION AGAINST INCOME LOSS DUE TO TEMPORARY SHORT-TERM DISABILITY, UNITED STATES, 1965

	All jurisdictions	*Compulsory jurisdictions* [1]	*Non-compulsory jurisdictions*
ESTIMATED INCOME LOSS (MILLIONS OF DOLLARS)			
Total—all workers	$11, 228		
Self-employed persons	1, 340		
Wage and salary workers	9, 888		
Government	1, 713		
Private employment	8, 175	$2, 217	$5, 958
ESTIMATED BENEFITS (MILLIONS OF DOLLARS)			
Total—all sources	3, 311	[3] (555)	
(Percent of total income loss)	(29. 5)		
Sick leave used (estimated value)	[2] 1, 801		
Government	1, 248		
Private employment	553	[3] (88)	
Insurance plans	1, 510		
Individual policies	[2] 482		
Group plans	1, 028	467	561
Self-insured plans	92	74	18
Commercial plans	667	124	543
Public fund plans	269	269	0
PROTECTION IN PRIVATE WAGE AND SALARY EMPLOYMENT (MILLIONS OF JOBS)			
Total employment	53. 6	13. 6	40. 0
With some protection	32. 6	13. 1	19. 5
(Percent with protection)	(60. 8)	(96. 3)	(48. 7)
BENEFIT REPLACEMENT OF INCOME LOSS IN WAGE AND SALARY EMPLOYMENT (MILLIONS OF DOLLARS)			
Total estimated income loss	$9, 888		
Benefits—all sources	2, 829		
(Percent of replacement)	(28. 6)		
Government:			
Estimated income loss	1, 713		
Benefits (value of sick leave used)	1, 248		
(Percent of replacement)	(72. 9)		
Private employment:			
Estimated income loss	8, 175	$2, 217	$5, 958
Benefits—all sources	1, 581	555	1, 026
(Percent of replacement)	(19. 3)	(25. 0)	(17. 2)

[1] California, New Jersey, New York, Rhode Island, and the railroad program.

[2] No allocation by type of jurisdiction estimated for benefits from used sick leave (except as explained in footnote 3) and from individual insurance policies which are not involved in the compulsory circumstances in jurisdictions with temporary disability insurance laws.

[3] Includes an estimate of $88 million for wage and salary workers covered by and entitled to benefits under temporary disability insurance laws but allowed sick leave in addition only up to the extent needed to bring replacement of potential wage loss up to 80 percent.

Source: Data derived from "Income-Loss Protection Against Illness," by Saul Waldman, *Social Security Bulletin*, Social Security Administration, U.S. Department of Health, Education, and Welfare, Washington, D.C., January 1967.

Provision of Short-Term Disability Wage Loss Protection

In 1965, workers incurred an estimated loss of over $11 billion in earnings because of short-term disability. The accompanying table summarizes the distribution loss of this income among types of workers. It also shows estimates of compensation of this loss from all sources of protection, including sick leave, individual disability income insurance policies, and group plans. In 1965, benefits from all sources aggregated about $3.3 billion, or about 30 percent of the total estimated loss in earnings of $11.2 billion. Over half these benefits are attributable to paid sick leave, mostly for workers in Federal, State, or local government service. If the analysis is confined to wage and salary workers in private industry there was a total income loss of $8.2 billion in 1965, of which $1.6 billion, or 19 percent, was replaced by some form of disability benefit compensation.

About three out of five wage and salary jobs in private industry have some form of protection. In those jurisdictions having compulsory provi-

sions for temporary disability insurance (and these include four States and the railroad industry discussed below) over 96 percent of wage and salary jobs were protected in 1965. Elsewhere in the country, less than half of such employment enjoyed any disability insurance protection.

These figures do not indicate the adequacy of the protection provided. Outside the jurisdictions where protection is required, there is little information from which to generalize safely about the nature of the protection available. Where paid sick leave policies prevail, provision is usually made for the continuation of full pay for periods generally ranging from 5 to 15 days a year with no waiting periods. Some sick leave plans allow accumulation of unused leave. Group insurance plans, on the other hand, generally provide partial compensation of wage loss, usually about one-half to two-thirds, up to a specified maximum, for from 13 to 26 weeks a year, after a waiting period of usually 1 week. Except in States which require disability insurance for all workers, those workers with protection are more likely to be found in the larger and union-organized firms. The amount and length of protection to which these workers are entitled will, to a fair degree, depend on their seniority or length of employment by the firm. Workers with limited seniority or years of service will have only limited protection. And, as indicated above, in those States without compulsory programs, over half the wage and salary jobs have no protection at all.

During World War II, and in the years following, voluntary temporary disability insurance protection grew rapidly, largely in the form of group plans negotiated through collective bargaining for workers in large- and medium-sized firms. That trend suggested to some that such protection eventually would be provided to nearly all workers without government action. Expansion of voluntary coverage, however, virtually ceased 13 years ago. Since 1954, in States without compulsory disability insurance programs, the proportion of wage and salary employment protected in private industry has held steadily at 48 or 49 percent.

Most of the workers without protection are employed by small firms or are workers who for other reasons are difficult and expensive to cover by group insurance. The smaller the group, generally, the steeper the premium cost per worker. Moreover, private group plans often exclude such categories of employees as older workers and those with physical handicaps or certain preexisting conditions. Newly hired or temporary workers are frequently left out. And under private plans, protection usually ceases when a worker becomes unemployed.

The Existing Compulsory Programs

There are compulsory programs in four States—California, New Jersey, New York, and Rhode Island—and in the railroad industry. Together, these jurisdictions account for about one-fourth of all private wage and salary employment in the country—about 13½ million out of 53½ million jobs in 1965. These programs have operated for many years—no less than 17 years in New York, the youngest, and as long as 25 years in Rhode Island, the oldest. And they have operated successfully in that every year hundreds of thousands of covered workers in these States who become ill or disabled for more than a week's time are able to receive continued income until they can return to work, regardless of where they had worked, for whom they had worked, or how long they had been employed by any one employer. In 1965, temporary disability benefits paid in these jurisdictions totaled $467 million, accounting for about 45 percent of all group benefits paid throughout the Nation.

The specific elements of these programs vary considerably from State to State. One of the most important points on which they differ is how they deal with protection afforded to workers under private plan arrangements. At one end of the spectrum is Rhode Island which takes no account of private plans—all workers must be protected under the State plan. The Rhode Island program was enacted in 1942 at which time relatively little private group disability insurance existed for workers. At the other extreme is the program in New York which requires all employers to protect their employees through commercial group policies or by a self-insurance arrangement. Employers may, if they wish, purchase a policy from a State fund which operates much like a commercial carrier. Virtually all the protection in New York is handled through private plan arrangements which must, of course, meet certain minimum requirements.

In between are California and New Jersey. Under these programs, the required protection may be provided under a State plan or by private plan arrangements which measure up to minimum

standards. Employers, in other words, may "contract-out" of the State plan for this insurance. In New Jersey, as of a few years ago, roughly half the jobs were covered under private plans. This proportion has been declining in recent years. In California, private plans at one time also accounted for about half the covered jobs. However, in more recent years, a series of legislative enactments, which among other things tightened requirements governing selection of risks by private insurers, have contributed to a decline in coverage by private plans until they have virtually gone out of existence.

Except in New York, the disability insurance program in each State is administered by the State employment security agency in coordination with unemployment insurance. In New York, disability insurance comes under the jurisdiction of the Workmen's Compensation Board although it is not coordinated with workmen's compensation. In New Jersey and Rhode Island, coverage, eligibility requirements, disqualification provisions, and the benefit formula are identical with, or very close to, those provisions applying in unemployment insurance. In California, the pattern is similar to unemployment insurance; but under disability insurance, coverage is broader in that it includes farmworkers who are not covered by unemployment insurance, and benefits tend to be higher than under unemployment insurance. In addition, California provides hospital benefits. Maternity benefits are provided by the New Jersey and Rhode Island programs. All States require a 7-day waiting period before benefits begin.

In Rhode Island and California, benefits are financed by an employee tax of 1 percent of wages, taxable up to $4,800 a year in Rhode Island and up to $7,400 in California. In New Jersey, workers pay a tax of one-half of 1 percent of wages up to $3,000 and State plan employers pay a basic 0.25 percent of taxable wages, which is experience rated between 0.10 and 0.75 percent. (New Jersey workers also pay a 0.25 percent contribution on their taxable wages for unemployment insurance.) In New York, workers pay a half percent of wages up to 30 cents a week, with employers making up the rest of the costs.

The disability insurance program in the railroad industry is unique in that it is a Federal program operating nationwide but confined to one industry. It is administered by the Railroad Retirement Board which also operates the retirement pension and unemployment insurance programs in that industry. Temporary disability insurance is coordinated with unemployment insurance and, indeed, is paid out of the same fund. A single employer contribution covering both disability insurance and unemployment insurance finances this fund. There are no employee contributions in the railroad plan.

All the compulsory disability insurance programs have been generally self-supporting. Contributions of about 1 percent of a reasonable level of taxable wages appear adequate to finance the kind of cash benefits usually afforded. In 1965, in each of the programs, benefits paid taken as a percent of taxable payroll were as follows:

California—0.8 percent, on wages up to $7,400.
New Jersey (State plan)—1.0 percent, on wages up to $3,000.
New York—1.1 percent, on wages up to $3,000.
Rhode Island—1.3 percent, on wages up to $4,800.
Railroad program—1.2 percent, on wages up to $4,800.

It should be noted again that these benefits include maternity benefits paid in New Jersey, Rhode Island, and under the railroad program, and hospital benefits paid in California.

Recent Proposals in Hawaii

About 2 years ago, the Hawaii Department of Labor and Industrial Relations conducted a survey of the extent and type of protection available to workers against wage loss due to non-work-connected disability. The survey found that among the approximately 160,000 workers employed in October 1964, about 100,000 of them (about 64 percent) had some form of paid sick leave protection. About 13,000 workers (8 percent) had some form of group disability insurance coverage. At least 45,000 workers (over 25 percent) had no form of protection.

Of those workers employed by firms with 100 or more employees, nearly all (97 percent) were employed by firms that provided some coverage. Among workers employed in firms with fewer than 20 workers, less than half were in firms that provided any protection. The proportion of workers with some coverage was highest in such industries as large-scale agricultural operations; in transportation, communication, and public utilities; in manufacturing; and in finance, insurance, and real estate. Coverage was lowest in construc-

tion, where the employers of nearly two-thirds of all the workers in October 1964 provided no protection.

Most workers under formal sick leave plans usually could continue to receive full pay while disabled for from 3 to 14 weeks a year. Workers covered by group insurance plans generally received a proportion of their wages or a fixed amount for as much as 26 or more weeks. Employers financed all the sick leave, but workers usually paid all or part of the cost of group insurance.

The survey indicated that while there is a fair amount of protection available for workers in Hawaii, there are substantial gaps in adequate protection, particularly for those working in smaller firms, and in construction and trade, and for those who do not work for the same employer most of the time.

To this should be added the provision in the Hawaii unemployment insurance law which continues the payment of unemployment benefits to an unemployed worker who becomes disabled provided there is no suitable job available for him. That protection ceases when such a job does become available even though the worker continues to be disabled.

Several proposals for the establishment of compulsory temporary disability insurance have recently been introduced in the State. The one which appears to have major consideration is H.B. 824. In some respects, the proposed program resembles most that of New York in that the intent is to provide protection entirely through private arrangements. New York, however, does not employ the concept of the base period by which to measure eligibility and benefit rights, as does the Hawaii proposal. All workers in New York have protection from their current employers only. Employment of 4 weeks is enough to qualify for benefit protection. In any case, New York also provides a special fund from which to pay disability benefits to the unemployed and to those workers left otherwise unprotected through the delinquency or business termination of their employers or of their private insurance carrier. There is no such provision in the Hawaii proposal.

The proposed Hawaii program is also different in that it calls for no employee contribution to finance these benefits, unlike the New York and all other compulsory State programs. Another major difference in the Hawaii proposal is the specification of only a 2-day waiting period. All other programs require a 7-day waiting period. Also, unlike the New York law, the proposed Hawaii law would pay maternity benefits.[1]

Proposed Program in Nevada

The State of Nevada is also currently considering proposals to establish a temporary disability insurance program. Nevada has had such legislation before it for some 20 years. The current bill provides a program similar in most respects to that in Rhode Island. All workers would be covered under an exclusive State plan except those relatively few employees who are currently protected under a private plan that offers benefits on the same basis as that provided by the bill. The benefits would be financed by a 1-percent employee tax on a $5,300 wage base. The program would provide no maternity benefits and would require a 1-week waiting period.[1]

Conclusion

In considering temporary disability insurance legislation, a State should be sure to provide ample time and resources to those made responsible for the administration of the new program so that they may make adequate preparations for its proper and successful implementation. Federal funds are not available to pay for the administration of a temporary disability program. Funds that are granted to the States by the Federal Government under title III of the Social Security Act for the administration of the unemployment insurance program may not be used to finance administrative costs of any other program, including disability insurance, even though coordinated with unemployment insurance.

Efforts to establish public temporary disability insurance programs in this country have tended to be sporadic and, except for the few jurisdictions discussed earlier, not successful. Barring some sharp and unforeseen expansion of private voluntary arrangements, however, the continued lack of protection for a substantial part of our labor force can be expected to keep these efforts alive.

[1] Legislative proposals not reported out of committee.

California Farmworkers and Disability Insurance

Philip Booth

FARMWORKERS, a declining sector of the work force during the past half century and more, are outside the protection of most Federal and State labor legislation, and are covered only in part by the basic social security system. Few have workmen's compensation protection (except in California and several other States), and generally they are not protected by unemployment insurance. In addition to their low earnings (a product of low wage rates and underemployment, resulting, in turn, from the imbalance between jobseekers and available year-round jobs), farmworkers and their families do not have as equal an access to local community health, welfare, and educational services as nonfarm workers do. Housing available to seasonal harvest workers has been generally substandard.

Beginning in October 1961, California workers began to accrue rights to benefits under the California unemployment disability insurance program on the basis of their earnings in agriculture. The program had paid disability benefits to workers in commerce and industry since 1946. The State agency records, becoming available through the program's contribution and benefit operations, throw light on farmworkers' employment and earnings history in and out of agriculture, on their morbidity history, and, more importantly, on their utilization of this social insurance arrangement to compensate for loss of wages when they were incapacitated by illness or injury.

A recent study of the benefit and claims experience of agricultural workers in 1964 under California's disability insurance program has important implications for unemployment insurance, as will be noted below. The study indicates that farmworkers, contrary to earlier expectations, utilized the disability benefit system only half as often as nonagricultural workers. Those farmworkers who did claim benefits, however, remained disabled longer than nonfarm workers and exhausted their benefit rights more often before they could return to work. Engaged chiefly in manual outdoor work, they were more often incapacitated by injuries. In addition, such poverty-related ailments as pulmonary tuberculosis strike agricultural workers far more often than their nonagricultural counterparts.

Farmworkers' earnings, employment, claims, and sickness patterns generally resemble those of other low-income groups. Yet we also find that farm and nonfarm workers who have similar earnings have different claims and sickness patterns. This we believe must be attributed to sociocultural-language factors, as well as those associated with making a living in farmwork.

The study findings, elaborated below, are drawn from an analysis of the claims and benefit experience of both farm and nonfarm workers who re-

Mr. Booth is Lecturer, School of Social Work, University of Michigan. This article is an adaptation of a summary report of his study of the benefit and claims experience of agricultural workers in 1964 under the California unemployment compensation disability program. When the study was conducted, he was also Research Associate, Department of Medical Care Organization, School of Public Health, University of Michigan. He was assisted by Mrs. Judith Agard, formerly of the Institute of Social Research, University of Michigan. *The study was supported by Grant No. 135 under the Social Security Administration Cooperative Research Grants and Demonstration Program.*

Strawberry harvesting, Santa Cruz, Calif.

ceived cash disability benefits under California's unemployment compensation disability insurance program in 1964 during a spell of disability which terminated during that year. Employment and earnings data were made available through the cooperation of the California Department of Employment (tabulated under the auspices of the Institute of Social Research of the University of Michigan) for a 1-percent random sample of the base population of some 6 million wage earners in 1963. Disability benefit and claims data in 1964 and employment and earnings data were made available for a random sample comprising 20 percent of all 500,000 beneficiaries in 1964 and 50 percent of all 15,000 agricultural beneficiaries—the latter being defined, for purposes of the study, as including all those with any farm earnings in the reference period upon which their benefit rights accrued.

After subsampling and matching benefits and earnings records for individual claimants, two study samples were developed—a "cross-section" sample (3,997 cases) comprising 0.85 percent of all beneficiaries, and an "agricultural" sample (4,219 cases) comprising 27.4 percent of all beneficiaries with some earnings in agriculture.[1]

Purpose of the Study

It was anticipated that analysis of beneficiary data, previously not available for as large a base population as 500,000 workers who engaged in agricultural work during the year, would serve a number of purposes:

1. To provide guidance for shaping program policy on social insurance legislation and administration by meaningful comparison and analysis of the claim rates of farm and nonfarm workers, and

[1] Throughout, the terms "agricultural workers" and "agricultural beneficiaries" refer to workers who were paid wages for agricultural employment during their base periods (in most cases, calendar year 1963), whether nonfarm employment, if any, comprised a minor or a major part of the total. "Nonfarm workers," however, had no wages reported for agricultural employment during 1963. Beneficiaries in the "cross-section" sample, as such, included beneficiaries with and without agricultural wages in their base period; but, since only 3 percent had any wages reported in agricultural employment, it can fairly be regarded, as compared to the agricultural sample, as a nonagricultural group.

of the benefit payment and disability experience of subgroups within the population which engaged in farmwork;

2. To fill gaps in our statistical intelligence regarding the employment and earnings characteristics of the population at risk;

3. To throw light on differential rates of utilization of health and medical services—of interest to public health authorities concerned with measuring the adequacy of existing facilities and personnel;

4. To throw light on farmworkers' participation in the variety of public and private measures designed to provide protection against hospital and medical expenses; and

5. To measure the effectiveness of the disability insurance program in compensating for loss of wages; that is, what proportion of wage loss due to disability was compensated by benefit payments.

Hypotheses and Major Findings

A number of hypotheses were tested. The most important are summarized in the following paragraphs, together with relevant findings.

1. *The propensity of both farm and nonfarm workers to file claims would vary directly with the amount of their earnings and regularity of employment, but farmworkers would file claims less frequently than nonfarm workers.*

The validity of this hypothesis was demonstrated by the difference in claim rates of beneficiaries with low and high earnings—there were fewer than 30 beneficiaries per 1,000 insured farmworkers who earned less than $1,000, compared to more than 60 per 1,000 for the $4,000 and over group; claim rates were nearly twice as high for the cross-section group, reaching 50, and over 100 per 1,000 insured workers, respectively, in these wage classes. (Insured workers are those with at least $300 wages in covered employment during the base year; that is, with sufficient earnings to qualify for benefits.) For both the farm and cross-section groups, the claim rate rose directly with earnings but tended to decline for those who were paid more than $5,000 per year, reflecting, among other factors, the lower incidence of disabling illness among higher income workers. Male farmworkers filed claims somewhat less frequently than their nonagricultural counterparts at the same wage levels,[2] indicating that factors other than earnings influenced the propensity to file.

Claim rates for all agricultural beneficiaries were only half as high as for the cross-section population—45 compared to 94 per 1,000 insured workers, the difference being only slightly less marked when the comparison is confined to men,[3] 46 compared to 83 per 1,000.

Irregularity of employment went hand-in-hand with low claim rates; male farmworkers with wages reported for only one or two quarters filed claims only half as often as those with employment reported in all four quarters of the base period. This was demonstrated clearly in the earnings and claims experience of individuals who worked exclusively in agriculture, but worked only during one quarter in the year. While such short-term workers comprised as many as 40 of every 100 workers who had any agricultural employment, they accounted for only five of every 100 who achieved insured status (the $300 qualifying requirement) and, more importantly, only two per 100 agricultural beneficiaries.

2. *Duration of spells of compensated disability would decline as claimants' earnings increased, but farm beneficiaries would remain disabled longer than their nonagricultural counterparts in the same earnings brackets.*

This hypothesis was partially confirmed, in that low earners received benefits for almost twice as many weeks as high earners—7 compared to 4 weeks; the wage level appeared to influence duration more greatly than membership in the farm or nonfarm beneficiary group, because, when controlled for annual earnings, both groups of beneficiaries showed very much the same duration of benefits. However, since many more farm than nonfarm workers had low earnings, the median duration of the agricultural group was a week longer—6 compared to 5 weeks. In addition, the period of benefit protection (26 weeks) was more often insufficient to tide farm beneficiaries over until they could return to work—one of every 10 agricultural claimants compared to one of 12 of the cross-section group were still incapacitated for work when their benefit rights expired.

3. *The lower claim rate for agricultural workers was attributable to the lower age of farmworkers;*

[2] In the wage bracket $1,000–$2,000, farmworkers' claim rates ranged from 46 to 54 per 1,000, compared to 57 to 79 for nonfarm workers.

[3] A more valid basis of comparison, since males constituted 85 percent of the agricultural beneficiary population, but 60 percent of the cross-section group.

young men (who made up a greater proportion of the agricultural than of the nonfarm work force) were less prone than older workers to become disabled or to remain disabled long enough to obtain benefits.

This hypothesis also was supported by the findings. Young men (under age 25) constituted one-third of all farmworkers.[4] However, not all of these, by far, including students and new entrants to the labor force working only intermittently (in or out of agriculture), earned as much as $300. These younger men comprised only 29 percent of all male insured workers and less than half as large a proportion (13 percent) of the male beneficiaries. It is commonly observed that young men are less likely than either oldsters or youths to experience disabilities lasting long enough to permit payment of benefits—more than the 7-day noncompensated waiting period. In their early twenties, they have outgrown the period of greatest exposure to the illnesses of childhood and adolescence, and illnesses of middle age are still in the future. For them, injuries due to accidents are of far greater concern. By contrast, men over age 45, who constituted about the same (one-third) proportion of the insured farmworkers as the youths, accounted for half of all beneficiaries, reflecting, on the part of the older workers, both a higher incidence of more prolonged disabling conditions and a greater propensity to file.

4. *It was anticipated that the incidence of workers' disabilities, as reflected in benefit claims, would show a different pattern*[5] *of disabling conditions for farm than for nonfarm workers, and that disabling conditions related to low income would appear more often among farm than among cross-section beneficiaries.*

The analysis indicated that sex, age, and income played a more important role than attachment to the agricultural sector in influencing the incidence of various categories of disabling conditions. Men, for example, whether in or out of agriculture, were found to be more frequently disabled by injuries than by other causes, while claims filed by women were due more frequently to neoplasms and genitourinary disorders.

Pulmonary tuberculosis, on the other hand, was more common among agricultural than nonagricultural beneficiaries, reflecting the lower income of that group (as well as environmental factors not explored in this study). In addition, farmworkers filed claims because of upper respiratory ailments no more frequently than because of pneumonia and bronchitis, suggesting a tendency to postpone interrupting their work on account of minor morbid conditions until they became more severely disabling.

What emerged more clearly as contributing to the longer duration of benefits of agricultural as compared to nonagricultural claimants, was the influence of the physical demands of outdoor farmwork. Since we are dealing, by definition, with disabilities which prevent the worker from continuing or returning to work, a given disabling condition, whether injury, or digestive or circulatory system ailment, is likely to keep him from returning to physically strenuous and fatiguing outdoor work for a longer period than if he were engaged in a sedentary occupation.

5. *Farmworker beneficiaries were not expected to consult the same types of physicians as nonfarm beneficiaries for treatment or for certification of disability, for a variety of reasons,*[6] *including lack of acquaintance with local physicians, customary reliance on home and folk remedies, language and social class barriers or a combination of these and other factors.*

The claims of nine of every 10 nonagricultural workers but only seven of every 10 farmworkers indicated that they had consulted an M.D. in private practice. Nearly one of every four farmworkers, by contrast, consulted a doctor attached to a county or other tax-supported clinic, dispensary, or hospital. Put in other terms, agricultural beneficiaries who received only basic benefits or both basic and hospital benefits were treated at local and State facilities more than five times as often as cross-section beneficiaries; those receiving only hospital benefits, more than 10 times as often. It is clear that California farmworkers were, the more often, out of the mainstream of the "medical care system."

6. *Although both farm and nonfarm workers were entitled to 20 days of hospital benefits (at $12 per day) under the State program, it was anticipated that farmworkers would utilize them less frequently.*

[4] Two-thirds of these were under age 20.

[5] There was some uncertainty as to the form of these patterns.

[6] No data were obtained on the influence of such factors. Reliance was placed on other investigations, such as those summarized by Lola M. Irelan, "Health Practices of the Poor," *Welfare in Review*, U.S. Department of Health, Education, and Welfare (October 1965), pp. 1–9.

The analysis supported this hypothesis. Although the disabling conditions which afflicted farm (compared to nonfarm) workers were no less incapacitating, they were hospitalized less frequently; 58 percent of them, compared to 66 percent of the cross-section beneficiaries, received hospital benefits. When hospitalized, however, their hospital spells were longer, and they exhausted their hospital benefit rights more often. Blue Cross-Blue Shield health and commercial carriers' hospital expense insurance, according to National Health Survey [7] and other data, provided less complete coverage of farm and other low-income workers than of other occupations and higher income groups.

7. *It was anticipated that the weekly benefits provided under the program would replace at least half of the farm beneficiaries' weekly wages, and that, having lower earnings than nonfarm workers, their benefits would constitute the higher proportion of their former wages.*

The analysis supported this hypothesis, as would be expected under a benefit formula weighted in favor of low earners. Since farm and nonfarm beneficiaries with similar earnings were paid similar benefits, the disparity between farm and cross-section male beneficiaries' median benefit/wage ratios of 57 and 52 percent provides another indication of the generally lower earnings of those in the farm sector. Viewed as a whole, most farm beneficiaries' benefits were between 50 and 70 percent of their prior earnings; the benefits of one of every five (the older, the lowest earners, and the youths) were more than 70 percent of their prior wages, a level of wage loss replacement which compares favorably with compensation for such other risks as unemployment (under unemployment insurance) and work injury (under workmen's compensation).

8. *It was anticipated that among those agricultural beneficiaries who also worked in nonfarm employment, the greater the extent of their participation in the nonfarm sector, the more nearly their earnings and benefit experience would*

[7] Gleeson, Geraldine, *Selected Health Characteristics, by Occupation, United States, July 1961–June 1963*, Public Health Service Publication 1000, Series 10, No. 21, U.S. Department of Health, Education, and Welfare, National Center for Health Statistics (Washington: August 1965), table 30.

Wrapping and boxing lettuce, Salinas, Calif.

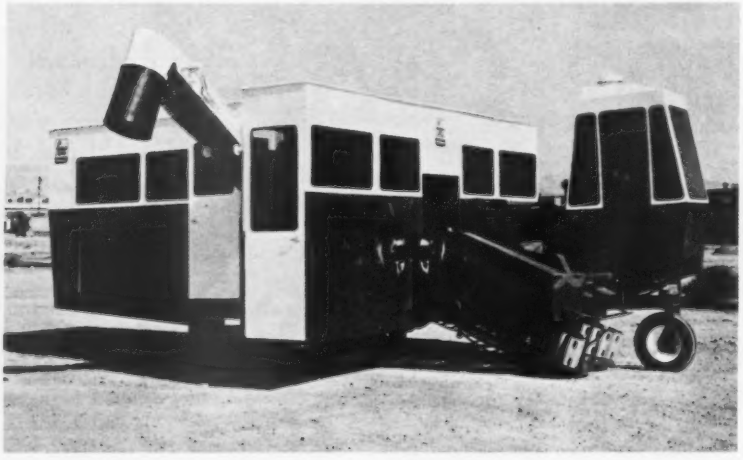
Today's mechanical tomato harvester.

resemble those of workers who had reported no farm employment.

The analysis provided neither clear verification nor refutation of this hypothesis, perhaps because of the crude measuring devices which were utilized to analyze and compare the variety of combinations of farm and nonfarm wages in beneficiaries' earning patterns.

Beneficiaries at the extremes of the continuum—those who obtained less than one-fourth and those with all of their earnings in agriculture—had higher annual earnings than the intermediate groups who participated in both sectors more evenly; that is, who obtained more than one-fourth of their earnings from farmwork. In terms of degree of seasonality, the picture is cloudier, although the bulk (two-thirds) of the beneficiaries who had worked exclusively in agriculture were concentrated in the least seasonal categories, and less than half as many were in the most seasonal categories. When we compared the total annual earnings of the more regularly employed (earnings in four quarters) farm and nonfarm workers, they were much further apart than the total earnings of the most casually employed (earnings in one or two quarters).

It is reasoned that when workers are employed so irregularly as to obtain wages in only one or two



The tomato harvester of the future. This air-conditioned machine has a radio intercom system for background music, tinted plexiglass windows to reduce heat and glare, padded seat rails, and even fluorescent lighting.

quarters of the year, the resulting low level of total annual earnings is not materially more nor less for those who worked only in farmwork, in nonfarmwork, or in some combination of both. Among four-quarter earners, however, farmworkers fall further behind the nonfarm group. First, regular work in all seasons of the year is far more likely to mean 48–50 weeks of full-time employment for nonfarm than for farm workers. For the latter, and especially those who work in agriculture alone, even "regular work" is far less likely to mean steady year-round employment. Many farm laborers probably worked no more than 3 of every 4 or 5 weeks spread over the year. Second, the potential higher ranges of monthly and quarterly earnings stop at a far lower ceiling for farm than for nonfarm workers.

Thus, some mix of nonfarm and farm wages for farm beneficiaries does not bring with it higher total earnings, except for claimants who got more than three-fourths of the total from the nonfarm sector. The farm beneficiaries with approximately equal earnings drawn from each sector were low earners, suggesting that while they sought to supplement unsatisfactorily low farm income with higher wages in the nonfarm sector, or vice versa, they were not generally successful.

With respect to duration of basic benefits, the cross-section (nonagricultural) beneficiaries did resemble closely the farm beneficiaries who got most of their wages in nonfarm employment; both received benefits for about the same number of weeks. The duration of benefits of the cross-section group was most unlike that of the agricultural beneficiaries with farm wages only; the latter received benefits for longer spells than any other agricultural or nonagricultural beneficiaries.

9. *It was anticipated that the uniform flat minimum earnings requirement ($300), while excluding workers with the very lowest earnings, could nevertheless admit to beneficiary status many workers with few weeks or months of work.*

However, in finding that, compared to one of every five *insured farmworkers*, only one of every 10 agricultural *beneficiaries* had earnings in one or two quarters of employment, only one of every 10 agricultural beneficiaries had earnings in one or two quarters, these short-term workers' low propensity to file claims surely cannot be attributed to the effect of the qualifying requirement. The two-to-one difference between insured workers and beneficiaries with earnings in less than three quarters must be attributed, rather, to other socio-cultural-economic factors, already mentioned, which inhibit low wage, irregularly employed workers from filing disability benefit claims. In addition, the low claim rates of younger workers, highly concentrated in the one- and two-quarter-earner group, are less attributable to the impact of the qualifying requirement than to factors related to the incidence of disabling conditions mentioned above.

Conclusions [8]

The expectation that farmworkers, when given protection under the disability insurance program, would file claims for benefits more frequently than nonfarm workers in proportion to their numbers has not been borne out under the system's operations. The liberal scale of benefits, compared to the low earnings of underemployed farmworkers, has not so weakened work incentives as to produce a markedly high propensity to file claims and to draw benefits. While low earners file claims less often than those with higher earnings, farmworkers file claims less often than nonfarm workers with the same earnings, suggesting that their low filing-rate is not due to their low earnings alone. There is little evidence that farmworkers are ill or disabled less often than other workers. The explanation for a lesser propensity to file must be sought, rather, in their lesser contact and familiarity with the prevailing medical care system and a greater reliance on home and folk remedies. There is little evidence that farmworkers are less exposed to illness and other disabling conditions than other workers. Improved accessibility of medical care facilities, improved job security, and the development and utilization of more points of contact with the whole range of community educational and other facilities will have to precede any substantially increased utilization of the program.

[8] In 1965, the year following the study period, a benefit ceiling of the lesser of 50 percent of the beneficiary's base-period wages, or 26 weeks of benefits, was placed on the duration of disability benefits payable. It was one of several emergency measures to protect the solvency of the fund; while it has remained in force, increased contribution rates remained in force for only 5 months. Although this benefit limitation was not in effect during the study period (1964), the analysis indicated that its impact would have been most adverse for older farmworkers, those with lower than average weekly benefits, and longer duration of disability—exactly those workers with the greatest presumptive need for benefit protection and the least likely to possess other resources to tide them over a long incapacitating illness.

The expectation that farmworkers would utilize the disability benefits system more than nonfarm workers and that this would, in turn, lead to greater benefit expenditures, has not been fulfilled. On the contrary, their contributions have exceeded the benefits they have received. It appears anomalous that this sector of the work force, at the foot of the ladder in terms of income, job security, and often lacking the skills and educational qualifications permitting easy movement into nonfarm industries and occupations, should, in effect, be helping to subsidize the protection afforded their counterparts in the nonagricultural sector. As suggested in the preceding paragraph, to the extent that this lower utilization is due to less ready access to providers of medical services, it underlines the urgency of wider extension of health personnel and facilities in rural areas, as well as a wider extension of medical and hospital expense insurance, whether public or private.

Many beneficiaries who worked both in and out of agriculture could not have qualified for disability benefits or for as high a weekly benefit, except for their farm earnings.

Since unemployment insurance benefit rights cannot be acquired through earnings from farm employment, many workers who may be primarily, although not wholly, engaged in nonfarm work receive lower weekly unemployment insurance benefits [9] than if their farm earnings could have been taken into account. Extension of unemployment insurance protection to agriculture would materially increase the effectiveness of that system in compensating for wage loss by providing higher benefits to workers who are employed in both sectors. More importantly, it would provide some income during involuntary unemployment to about a quarter of a million farmworkers, a measure long overdue on social policy grounds. Furthermore, since 1961 farm employers have become familiar with State payroll and employment recordkeeping and reporting requirements for disability insurance purposes. This fact, together with other legal requirements and regulations applicable to agriculture,[10] reduces the force of formerly voiced objections, on administrative grounds, to extension of unemployment insurance to agriculture.

California's experience since 1961 suggests that in the other three States with disability benefit programs (New Jersey, New York, and Rhode Island), the system can readily be extended to farmworkers. The need for such an extension and its practicability appear self-evident. The administrative structure and procedures would, of course, have to be adapted to given State situations.

Many workers throughout the country enjoy wage loss protection for non-work-connected disability, especially workers in government, in white-collar salaried positions (where paid sick-leave protection exists), and in mass-production industries where union-management agreements have established sick benefit plans. From the best published estimates,[11] it seems safe to say that two-thirds of all wage earners in this country have some such protection and that most of them work in the four States with statutory programs. However, in the remaining 46 States, existing plans do not have extensive coverage, those protected being concentrated among white-collar employees and industrial workers covered by the terms of collectively bargained plans.

[9] Or do not qualify for unemployment insurance benefits because they do not meet the $600–$750 minimum qualifying earnings requirement.

[10] For example, the California workmen's compensation law, the Federal OASDHI program, and, since 1966, the Fair Labor Standards Act.

[11] *The Social Security Bulletin* publishes such estimates annually.

Unemployment Insurance Decisions*

She Raised the Roof

Connecticut.—During 4 years of employment as a secretary in the employer's sales department, the claimant's salary had been raised from $302.50 to $375 a month. Her last raise had become effective in August 1966. She asked for another in May 1967, and the employer agreed to give her a $25 a month raise. She did not accept it but, as found by the Commissioner, "created quite a scene in which she made a variety of intemperate remarks to the officials of the company gathered in the office." She was discharged "because of all the noise that she was making and because of the inability of the employer's officials to calm her down."

The Commissioner remarked: "The duty of reasonably decorous behavior is certainly one of the duties that one expects of a female office employee. Everybody is entitled to verbal outbursts. However, the duration of such verbal outbursts should have some reasonable connection to the provocation for them. When we consider that the verbal outbursts of the claimant came about because she was offered a $25 per month raise in wages rather than the $50 per month raise in wages she wanted or that she had expected, we see no reason why the claimant should not have calmed down reasonably shortly after the start of the outburst." She was held to have been discharged for wilful misconduct in the course of her employment. (Case 400–D–67, July 6, 1967.)

A Matter of Degree

Michigan.—The availability provision of the Michigan Employment Security Act requires that the individual be "able and available to perform full-time work of a character which he is qualified to perform by past experience or training, and of a character generally similar to work for which he has previously received wages," and that he be available "for such work, full-time, either at a locality at which he earned wages for insured work during his base period or at a locality where it is found by the commission that such work is available." In the case of a college student, the referee pointed out that this provision requires the individual to be available for full-time work on any shift in an industry in which he earned his wage credits. The claimant, a full-time university senior, whose classes were held during the day, had been laid off from his second shift employment where his hours were from 4:30 p.m. to 1 a.m. After he filed for benefits, he was hired on a part-time basis by the university, to work during hours which did not conflict with his class attendance.

The referee rejected the claimaint's contention that since his professors did not take attendance it would not have been necessary for him to attend classes if such attendance conflicted with a work opportunity during the daytime. In denying benefits, the referee said: "It must be recognized in this matter that claimant, as a degree candidate, has been primarily concerned with pursuing his collegiate career and would not undertake to seek work or accept work which would tend to jeopardize his successful completion of his college work. . . ." (Appeal No. B67–779, affirmed by Commission decision Appeal Docket No. B67–779–35176, July 18, 1967.)

Emergency Leave

Ohio.—The claimant's work shift was from 11 p.m. to 7 a.m. He received an emergency call from his wife at 2 a.m., requiring him to come home to take care of her and their three sick children. As the result of a fall, she had pulled the muscles in her back; two children had chicken pox and one had measles; and all were in considerable pain. The claimant attempted to locate his supervisor to obtain emergency leave. Neither he nor the guard could find the supervisor, so he asked another employee to tell the employer that he had left because of an emergency. The claimant returned the next night to find that he had been discharged for violating a company rule because he had left the plant without permission during working time.

The referee concluded: "Had claimant left work without permission in the absence of an emergency there is no question but what it would have amounted to a wilful violation of the company's rule. However, claimant was faced with an emergency. He attempted to obtain permission but couldn't find his supervisor. Claimant then left to take care of that emergency. Had claimant found his supervisor and asked that he be granted permission to go home to take care of the emergency in the middle of his work shift and said permission had been refused, would claimant have been justified in disobeying his supervisor and going home to satisfy the emergency? This referee believes that he would. However, claimant was unable to contact his supervisor and did go home. It must be concluded that claimant was discharged without just cause in connection with his work. . . ." (Appeals Docket No. 363459, June 26, 1967.)

Pest Control

Texas.—An office girl testified that the employer's office was located in a very old and extremely dirty building.

**Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.*

The stairway and hall were often littered with liquor bottles left by derelicts who slept there at night. The office was infested with roaches and frequently some crawled out of her typewriter. Two other girls had quit because of the working conditions; in addition to performing her regular work the claimant had to train two inexperienced girls. She stated that the pressure was so great that she became ill with migraine headaches and finally decided to quit.

The employer testified that the claimant's description of the working conditions was grossly exaggerated; he had a cleaning woman thoroughly clean the office once a week; and he personally swept and dusted every day. He conceded that there were some roaches in the office, but he attempted to control them by spraying insecticides. He also denied that he had placed any undue pressure on the claimant while she was attempting to train the new employees. The Commission held that the claimant left work voluntarily without good cause connected with the work, pointing out that the claimant had tolerated the employer's office facilities for 1½ years. (Appeal No. 554–CA–67, June 22, 1967.)

High Cost of Driving

Wyoming.—A 64-year-old commission salesman quit his job, explaining: "The job was requiring too much driving for my age." His territory included Wyoming and part of Montana, and he indicated he traveled 800 or 900 miles per week. Trips were scheduled by the claimant according to his judgment, and he was paid a 15 to 20 percent commission on all sales. He was required to pay his own travel expenses, and he contended that the increased cost of living substantially reduced his net earnings. During the 12-month period in which he had earned his base-period wage credits, the claimant had averaged over $137 per week.

The appeals examiner, in holding that the claimant voluntarily left his work without good cause, said: "The increase in the cost of living is universal and may not be used by a benefit claimant as justification for choosing to become totally unemployed." (Decision No. 2233–AT–67, July 12, 1967.)

Trends in the Economy*

THE TEMPO of business activity quickened in July, with most economic indicators registering gains. Industrial production scored its first advance in half a year, aided by heavy output of durable goods. Personal income posted its largest increase in 6 months. Retail sales, spurred on by increased purchases in all categories of durable goods, rose to a new high. Substantial improvements were noted in the area of construction activity; the July gain in the rate of housing starts was the sharpest since early 1966, and the rate of permits for future construction (despite the slight easing from the June pace) was above the year-earlier level. Employment (seasonally adjusted) increased by more than 300,000 in July. As unemployment showed a slightly better than expected reduction, the jobless rate edged down from 4.0 to 3.9 percent.

**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

Business Activity

Industrial output increased in July for the first time in 6 months. The index of industrial production rose to a seasonally adjusted 156.3 percent of the 1957–59 average, up from 155.3 percent in June. However, this was still 0.9 point below the level a year earlier.

The manufacturing index, at 157.5 percent, was up 0.9 point over the month, with nearly all of the gain in the durables sector. Electrical machinery experienced the largest increase, primarily due to the settlement of a strike in that industry. Nonelectrical machinery and transportation equipment also showed substantial increases; in the latter group, automobile output rose by 5 points from June to a seasonally adjusted 161 percent. (Automobile production for the 1967 model year is estimated by the industry to approximate 7,680,000

cars, down 11 percent from the 8,632,000 volume of the preceding year. The 1967 model output, if realized, will be the third best on record, trailing 1965 and last year.) The iron and steel index advanced fractionally in July as some 9.7 million tons were poured, compared with 9.6 million tons in June and 10.8 million a year earlier.

Production of nondurable manufactures also showed a slight gain with the chemicals-petroleum-rubber group leading the field. Here, too, the settlement of a strike—this time in the rubber industry—was primarily responsible for the increase. Mining rose a full 4 points over the month, reaching 128 percent. The utilities index was one of the few that showed a decline, falling from 184 to 182 percent over the month. A year ago, it stood at 176 percent.

New factory orders for durable goods edged down in July, reflecting a drop in aircraft industry orders from their high June level. At a seasonally adjusted $23.8 billion, the order inflow was down 1.7 percent from the $24.2 billion of the previous month and 0.1 percent below the July 1966 total.

Transportation equipment bookings fell by $0.5 billion to a seasonally adjusted $6.8 billion, as Defense Department orders in the aerospace, ordnance, and communications areas declined. Orders for primary metals rose to $3.7 billion, up $0.1 billion from the level in both May and June.

Factory shipments of durable goods totaled $23.2 billion in July, compared with $23.0 billion in both the preceding month and the year earlier. A decline in transportation equipment was more than offset by an increase in shipments of primary metals and machinery. Transportation equipment shipments declined by $200 million to $6.3 billion but were up from the year-ago total of $5.7 billion. Primary metals shipments rose $100 million over the month to $3.6 billion, and machinery shipments rose an equal amount to $7 billion. A year ago, shipments of these commodities were $4 billion and $7 billion, respectively.

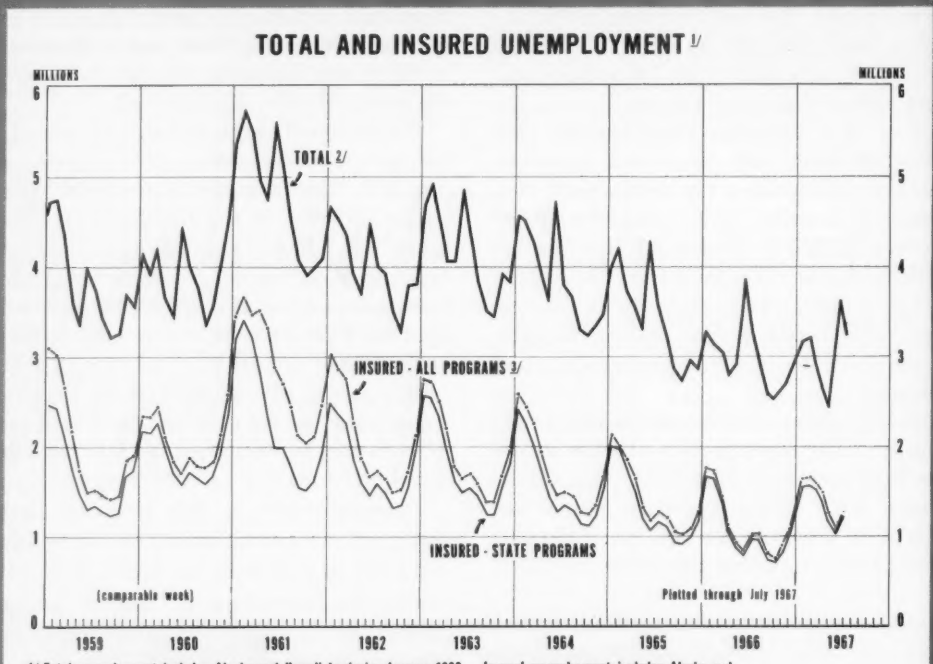
Since new orders outstripped shipments, *the backlog of durable goods orders* rose 0.8 percent to $76.7 billion, up 0.5 percent from a year earlier. The backlog in transportation equipment machinery and primary metals orders was somewhat higher than in the preceding month.

Housing starts increased nearly 11 percent in July to a 1,360,000 seasonally adjusted annual rate—up from 1,227,000 in June. This was about 26 percent above the year-earlier level and was the highest level since the 1,337,000 rate of April 1966. The increases in starts were sharpest in the Northeast and North Central areas; a moderate gain occurred in the West, and there was a decline in the South. However, the July volume exceeded the year-earlier level in all areas.

The seasonally adjusted annual rate of *permits for future construction* fell slightly over the month to 1,089,000 units, down 20,000 from June. Losses occurred in the Northeast and the South, more than offsetting advances in the North Central and West regions. Permits for single family units were issued at a 626,000 annual rate, down by 4,000 from June but 83,000 higher than a year earlier. The rate for units of two- to four-family buildings was also up by 4,000 to 79,000 in July; a year ago, the rate was 57,000. The largest units (five-family and over), at 384,000, were down 20,000 from June but up 63,000 over the year.

Personal income in July scored its largest gain in 6 months, climbing by $4.4 billion to a seasonally adjusted annual rate of $627.1 billion. A year earlier the rate was $584.7 billion. The gain was largely in the wage and salary category, which showed an advance of $3 billion from June to $423.9 billion. This increase reflected a rise in both employment and wages; the employment gain occurred in the construction industry, and factory wages were generally higher. The gain in durable goods payrolls about equaled June's advance, despite the strike in the shipbuilding industry and the earlier than usual start of the automobile model changeover. Wages in nondurable goods industries also advanced at about the June rate.

Retail sales in July (seasonally adjusted) rose to a record $26.7 billion, slightly above June's $26.5 billion. The sales increases were solely in the durable goods sector which showed a gain of 3 percent to $8.8 billion. The increase was widespread. Transportation equipment, as a whole, showed a gain despite the July sales decline of 20 percent in the automobile industry. The automobile sales reduction was due largely to lower production and demand during the model-changeover period. Automobile sales this July were 1 percent below the volume of a year earlier. Sales of nondurable goods showed a slight decline between June and July, moving down by about $15 million to $18 billion.


TOTAL AND INSURED UNEMPLOYMENT 1/
MILLIONS
MILLIONS
6
5
4
3
2
1
0
TOTAL 2/
INSURED - ALL PROGRAMS 3/
INSURED - STATE PROGRAMS
(comparable week)
Plotted through July 1967
1959
1960
1961
1962
1963
1964
1965
1966
1967
1/ Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959, Puerto Rico beginning January 1961, and Puerto Rican sugar workers beginning July 1963.
2/ Source: Bureau of the Census and Bureau of Labor Statistics. Data beginning with January 1967 reflect definitional changes in employment and unemployment.
3/ Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

Employment

Total civilian employment advanced more sharply than expected between June and July, increasing by 830,000 to 76.2 million (unadjusted); the usual gain between these 2 months approximates 480,000. Both the farm and nonfarm sectors showed advances, with about seven-eighths of the increase occurring in the latter. The bulk of the job gain was among teenagers. Employment among adult women usually declines between June and July; this year, the reduction was less than expected. Compared with a year earlier, total employment was up by nearly 1.5 million with the entire gain occurring in the nonfarm sector. Farm employment was down by 64,000 over the year. Adult women accounted for about two-thirds of the gain, while employment among teenagers dropped by nearly 150,000.

Nonfarm payroll employment, seasonally adjusted, rose by 195,000 to 65.9 million, with larger than expected increases occurring in almost every division except manufacturing. The services industries posted the largest rise (76,000), followed by government (71,000), and construction (33,000). The rise in construction employment largely reflected the return of strikers to work in June.

Employment in manufacturing (seasonally adjusted) declined by 42,000, as losses in transportation equipment (35,000) and apparel (20,000)

offset gains in several other manufacturing industries. The drop in transportation equipment was attributable to strikes in the shipbuilding industry and to the early start of the automobile model changeover. The only sizable gain—25,000 in the electrical equipment industry—chiefly reflected the return to work of persons on strike last month.

Compared with July a year earlier, total employment on nonagricultural payrolls was up by 1.8 million. The services producing sectors accounted for most of the gain; government employment was up some 714,000; services and trade were up by 524,000 and 387,000, respectively. Employment in manufacturing industries showed no appreciable growth over the year, increasing by only 17,000. In the construction industry, employment registered an over-the-year drop of 103,000, largely reflecting the slump in industrial building.

At 38.4 hours in July, *the workweek for nonsupervisory employes on private nonagricultural payrolls* was down 0.6 hour from the level a year earlier. Hourly and weekly earnings for these workmen were $2.66 and $102.14—up 10 cents and $2.30, respectively, over the year.

From 40.5 hours in June, the *factory workweek* in July moved down to 40.3 hours, with the overtime hours dropping by 0.2 hour to 3.1 hours. After allowance for the usual seasonal movements, the factory workweek has remained between 40.2 and 40.5 hours since February, down sharply from the highs recorded in the summer and fall of 1966. *Hourly earnings*, at $2.81, were unchanged over the month, but since overtime declined, *average weekly earnings* edged down over the month from $113.81 in June to $113.24 in July. For the comparable month in 1966, weekly earnings for factory workers averaged $111.11.

Unemployment

Dropping somewhat more than seasonally, by about 10 percent or 378,000, *total unemployment* moved down to 3.2 million in July. The jobless rate, seasonally adjusted, showed no appreciable change, easing off from 4.0 percent in June to 3.9 percent; a year earlier the rate was also 3.9 percent. Included in the jobless total were 989,000 adult men, 1.1 million adult women, and 1.2 million teenagers.

The unemployment rates for adult women and teenagers were unchanged over the month, at 4.3 and 12.6 percent, respectively. The rate for adult men was down to 2.4 percent in July from 2.6 percent in the preceding month.

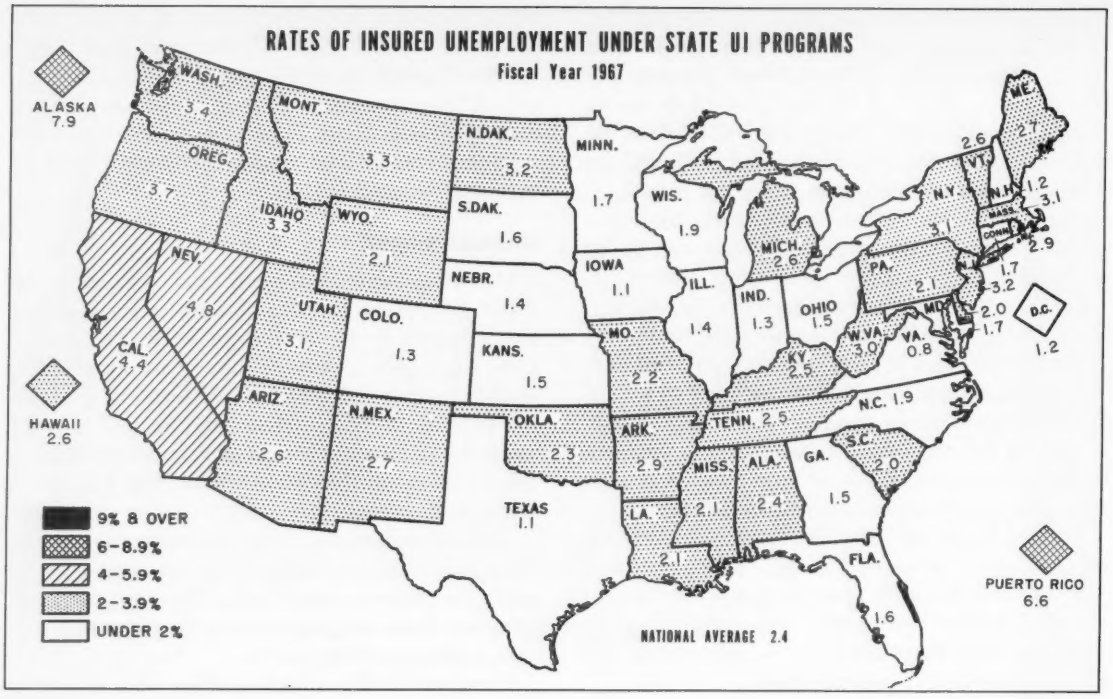
Compared with a year earlier, unemployment was some 200,000 higher. All of the over-the-year rise took place among teenagers and adult women; joblessness among adult men was down by 46,000. The number of the long-term unemployed rose by 17,000 to 171,000 in July. This was, however, sharply below the 219,000 number a year earlier.

Insured Unemployment*

Fiscal Year 1967

**Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.*

INSURED UNEMPLOYMENT activities during fiscal year 1967 were closely influenced and shaped by the economic conditions that existed during this period. For example, during the July–December half of the year most claimstaking activities were at extremely low levels, reflecting a continuation of the rapid rate of economic growth that characterized the Nation's economy in the past few years. By the middle of the fiscal year, some economic imbalances began to appear, especially in the metals and metals-using industries; as a result, the levels of initial claims, insured joblessness, benefits, and exhaustions all began to move higher. The slowdown in several key sectors of the economy continued during the second half of the fiscal year, and as a result claims activities in the January to June period did not decline as much as expected.



All told, insured unemployment under the regular State unemployment insurance programs averaged 1,141,700 per week during fiscal year 1967. Despite the second-half rise in claims, this was the lowest weekly average for any fiscal year since 1953, and compared with recent averages of 1,152,000 in the previous year, 1,820,700 in 1963, and 2,348,900 in 1961. The rate of insured joblessness during the year was 2.4 percent—the lowest rate for any fiscal year since 1945. The rate last year was 2.6 percent.

The claims volume at the beginning of the fiscal year, seasonally adjusted, averaged 1.1 million per week, then dropped to 1.0 million in September, October, and November; the level, however, began to edge higher, with the uptrend continuing steadily each month through May, when the volume averaged 1.3 million per week. In the final month of the fiscal year, insured unemployment averaged 1,248,000 per week. On a seasonally adjusted basis, the insured unemployment level was 1,055,000 in the first half, as compared with a level average of 1,222,000 for the second.

Rates Below Average in 28 States

Rates of insured joblessness differed markedly among the States. For fiscal year 1967, the highest rate was reported in Alaska (7.9 percent), followed by Puerto Rico (6.6 percent), Nevada (4.8 percent), California (4.4 percent), and Oregon (3.7 percent). Among the larger industrial States, New Jersey (3.2 percent), New York and Massachusetts (3.1 percent each), and Michigan (2.6 percent) were all above the national average, while Texas (1.1 percent), Indiana (1.3 percent), Illinois (1.4 percent), Ohio (1.5 percent), and Pennsylvania (2.1 percent) were below. The lowest rate was in Virginia (0.8 percent). Sixteen other States had rates of less than 2 percent.

Most States Show Nominal Declines

Thirty-two States reported decreases in insured unemployment between fiscal years 1966 and 1967. The most substantial reductions occurred in New York (19,500), Texas (6,900), Pennsylvania

(4,300), Minnesota (2,700), Washington (2,100), and Massachusetts (1,900). Among the States reporting increases, Michigan posted the largest rise—20,500. Other increases amounting to more than 2,000 were reported by Oregon (4,100), Tennessee (3,200), and South Carolina (2,200).

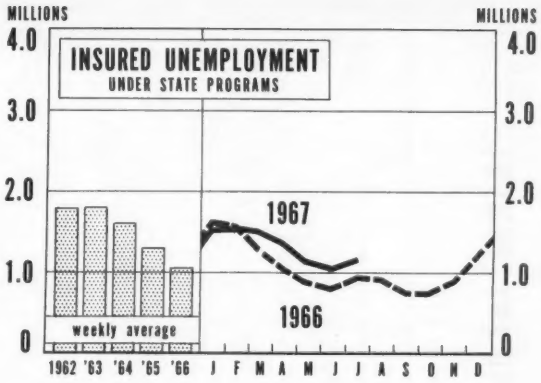
New York reported the largest year-to-year decline in insured unemployment—19,500—bringing that State's average weekly volume to 164,300. Most of the drop reflected a pickup in the construction, textile, apparel, and food processing industries. Joblessness among trade and services workers also declined. Offsetting, in part, the effects of these reductions, however, was a rise in joblessness among electrical machinery and metals workers during the second half of the fiscal year.

Insured unemployment in *Texas*, at a weekly average of 23,500, was some 6,900 lower than in the previous year. This was due primarily to a sharp reduction in insured joblessness in the transportation equipment industry.

Pennsylvania recorded jobless declines in a wide variety of industries, with the weekly average dropping to 67,200—some 4,300 fewer than a year ago. The most substantial reductions occurred among workers from the tobacco, apparel, and food processing industries. A pickup was also reported in the trade and services industries.

Washington's decline of 2,100 stemmed primarily from less insured joblessness among workers in trade, food processing, chemicals, and services; *Massachusetts'* drop was the result of fewer claims from manufacturing employees, particularly those engaged in apparel and leather production; also recorded were sizable decreases in the numbers of jobless trade and services workers.

Michigan reported the most substantial year-to-year increase in insured joblessness. This was due mainly to production cutbacks in automobile assembly plants as a result of weakened demand. Insured joblessness in the fabricated metals, machinery (electrical and nonelectrical), and transportation equipment industries was noted in *Oregon*, as well as more unemployment among services and construction workers. *Tennessee* reported more joblessness among both electrical and nonelectrical machinery, primary metals, apparel, and furniture workers. Increases in joblessness were recorded in *South Carolina* in the stone, clay, and glass products and electrical machinery industries.



First Rise in Initial Claims in 6 Years

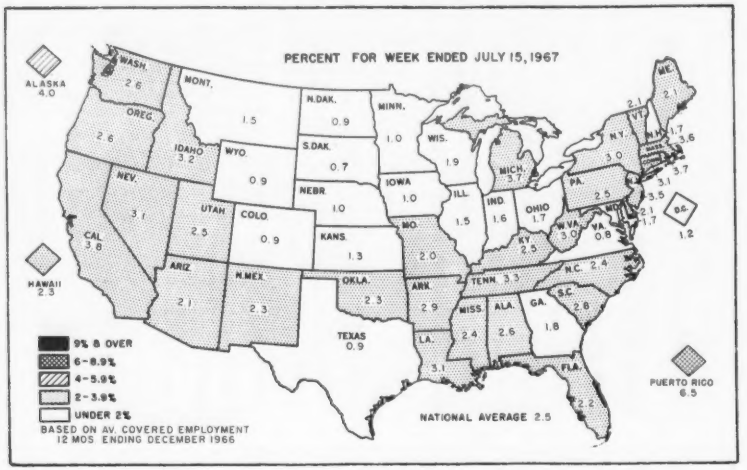
In fiscal year 1967, a total of 11,523,700 initial claims for benefits were filed. In the previous year the volume was 11,096,700. The average weekly volume in fiscal year 1967 was 222,000, compared with 213,000 in the previous year.

Week ended—	Initial claims [1]		Insured unemployment [1]	
	1967	1966	1967	1966
June 3	175, 600	141, 600	1, 084, 600	816, 300
June 10	188, 400	149, 300	1, 038, 500	799, 100
June 17	176, 700	152, 300	1, 022, 800	786, 300
June 24	178, 000	150, 500	1, 008, 300	782, 900
July 1	206, 300	188, 500	978, 700	787, 200
July 8	322, 900	282, 900	1, 138, 700	924, 500
July 15	309, 100	245, 900	1, 211, 600	963, 200
July 22	282, 400	252, 300	1, 184, 100	947, 600
July 29	243, 700	226, 300	1, 204, 400	984, 700
August 5	250, 400	227, 300	1, 173, 500	1, 020, 200
Weekly averages				
June	186, 300	156, 300	1, 018, 900	792, 700
July	287, 700	248, 900	1, 184, 200	947, 000

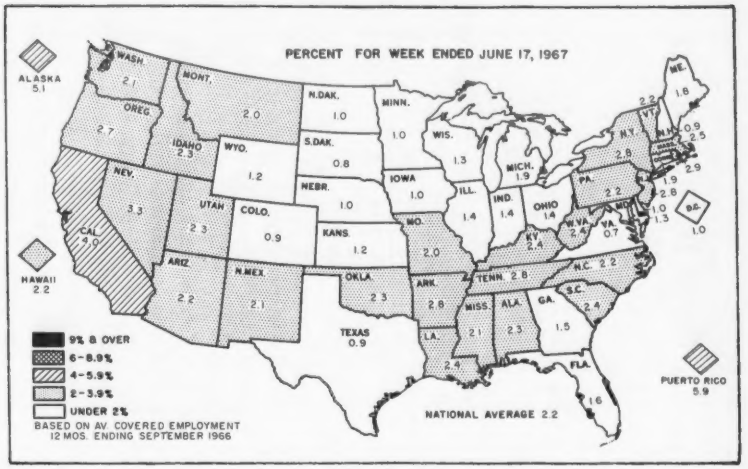
[1] Refers to State programs.

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

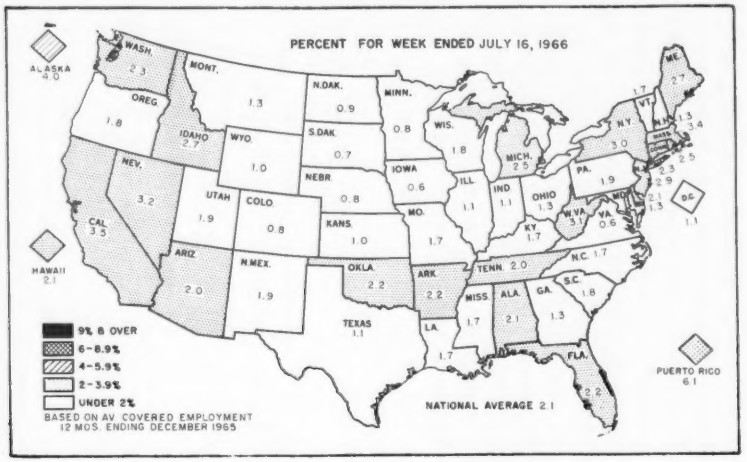
LATEST MONTH



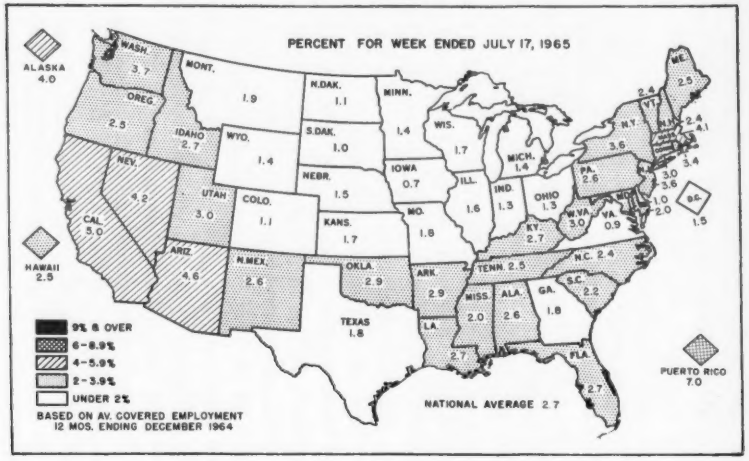
PREVIOUS MONTH



ONE YEAR AGO



TWO YEARS AGO



Activity [1]	Number or amount July 1967	Percent change from—		January–July cumulative (in thousands)	
		June 1967	July 1966	1967	1966
Initial claims [2]	1, 218, 300	+51. 7	+19. 6	7, 368	6, 220
Weeks claimed [2]	4, 744, 100	+4. 2	+27. 6	40, 707	35, 507
Insured unemployment (weekly average) [2]	1, 184, 200	+16. 2	+25. 0	1, 348	1, 176
Beneficiaries (weekly average)	906, 500	−2. 0	+26. 0	1, 154	1, 022
Benefits paid [3]	$147, 306, 600	−5. 6	+29. 4	$1, 384, 253	$1, 158, 374
Claimant exhaustions	73, 500	−9. 8	+29. 1	530	515

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rico sugarcane program.
[3] Monthly data represent gross amount; cumulative data represent net amounts.

Federal Programs Show Declines

Insured unemployment under both the UCFE program (covering Federal civilian employees) and the UCX program (covering ex-servicemen) declined moderately during fiscal year 1967. Under the former, insured joblessness moved down by 3,100 to a weekly average of 19,200. Under the latter, an over-the-year drop of some 7,100 took place, therein bringing the fiscal year average to 19,700. Under both programs, fiscal year 1967 showed the lowest weekly average for any fiscal year since the beginning of the programs.

Benefit Exhaustions Lowest in 22 Years

The number of claimants exhausting their benefit rights under regular State unemployment insurance programs dropped from 903,200 in fiscal year 1966 to 778,600 in fiscal year 1967—the lowest level since 1945. The monthly number of exhaustions remained little changed in each of the first 6 months of fiscal year 1967, averaging about 50,000 to 55,000 per month; but as the year progressed, exhaustions moved up steadily reaching 66,500 in January and a high of 87,500 in May.

Total Benefit Payments Up

Unemployment insurance benefit payments rose to $2.1 billion in fiscal year 1967, some $29.1 million more than the year-earlier amount. A total of $2.0 billion was disbursed under the State programs, $38.6 million under the UCX program, $39.3 million under the UCFE program, and $34.4 million under the railroad program.

The average weekly benefit check for totally unemployed workers under the State programs was $41.05 in fiscal year 1967, compared with $38.50 in 1966 and $36.56 in 1965. The average benefit payment varied markedly among the States because of differences in the State laws and in their industrial compositions. Sixteen States reported average payments above the national figure, with the highest checks recorded by California ($50.46), Hawaii ($48.63), Colorado ($47.71), Wisconsin ($47.52), and Michigan ($47.38). The lowest checks were issued in Mississippi ($26.13), West Virginia ($26.05), and Puerto Rico ($17.59).

The average benefit check paid under the UCFE program during fiscal year 1967 rose by $1.50 from the previous year to $41.08. The average weekly benefit check under UCX rose by $3.39 to $41.26.

Selected Unemployment Insurance Statistics, State Programs, July 1967

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending July 1967 (in thousands) Benefits paid 6/	12 months ending July 1967 (in thousands) Collections and interest	Funds available July 1967 7/ (in thousands)
Total	8/1,218,309	8/4,741,091	8/1,184,201	906,530	$40.10	73,534	$147,306,608	$1,997,176	$3,256,086	$10,272,383
Alabama	12,698	68,852	16,544	12,857	30.30	1,406	1,527,479	19,229	32,201	111,024
Alaska	1,448	8,536	1,716	1,689	45.15	121	314,358	6,751	11,231	10/ 20,450
Arizona	9,303	28,830	7,565	5,262	37.49	506	818,820	11,718	19,370	76,499
Arkansas	9,760	40,112	9,809	6,834	29.50	773	823,804	11,713	17,261	41,976
California	130,204	751,143	178,120	161,835	49.02	13,345	32,601,407	467,700	596,847	8,325,09
Colorado	5,900	15,926	3,617	2,208	46.57	344	413,966	9,962	14,060	70,474
Connecticut	34,611	83,817	20,922	17,463	42.57	1,216	3,049,223	29,996	66,549	264,785
Delaware	6,642	15,610	4,294	3,649	44.16	182	723,344	7,607	6,487	24,515
Dist. of Col.	2,165	16,083	3,877	3,195	44.28	216	591,432	7,203	11,285	70,448
Florida	22,793	103,532	26,128	17,453	28.61	2,077	2,066,251	18,657	39,046	217,966
Georgia	14,043	69,149	16,337	11,161	34.11	1,714	1,496,284	18,418	44,797	239,764
Hawaii	2,377	18,433	4,418	3,740	49.86	316	763,916	10,448	12,076	27,782
Idaho	3,828	17,080	4,479	2,612	38.20	98	407,339	7,499	10,060	36,532
Illinois	42,087	189,503	44,974	36,983	41.68	3,098	6,302,103	80,787	86,554	561,111
Indiana	30,751	89,013	22,066	16,991	35.09	2,235	2,460,755	27,521	61,763	239,497
Iowa	6,738	22,770	6,021	5,743	40.58	365	602,403	9,431	14,753	124,930
Kansas	6,755	22,416	6,017	4,275	39.98	346	680,078	10,008	18,728	79,509
Kentucky	9,724	55,190	13,383	9,390	35.97	744	1,348,918	18,006	30,742	142,935
Louisiana	16,368	86,790	22,124	17,350	37.93	1,519	2,714,959	23,701	39,924	155,622
Maine	6,576	18,391	4,686	*2,794	*33.00	350	*372,545	7,697	10,452	40,788
Maryland	17,479	55,152	13,169	11,094	39.00	779	1,750,463	25,197	45,780	214,446
Massachusetts	51,925	207,431	49,920	39,946	40.37	2,770	6,431,836	91,368	144,533	306,546
Michigan	134,910	272,929	92,914	51,497	47.41	3,731	9,963,453	115,965	160,192	10/ 637,521
Minnesota	6,264	34,914	8,265	6,260	36.94	735	954,570	22,582	46,076	581,196
Mississippi	7,590	33,282	8,204	5,577	26.55	447	609,996	7,056	14,931	76,445
Missouri	28,781	88,462	23,060	14,085	37.12	1,138	2,034,644	32,086	41,137	269,887
Montana	2,690	9,447	2,331	1,496	30.72	285	195,267	5,643	6,556	20,449
Nebraska	2,237	11,564	2,556	2,296	34.19	302	324,267	6,029	9,509	46,459
Nevada	3,181	17,719	3,974	3,658	42.18	423	635,163	12,493	11,462	27,903
New Hampshire	3,393	8,884	2,066	1,216	37.69	5	180,071	2,554	7,563	39,035
New Jersey	63,164	239,532	59,163	53,295	40.65	4,696	8,701,782	113,659	160,903	391,802
New Mexico	3,525	15,782	3,828	2,956	33.02	176	400,446	6,255	8,198	38,178
New York	161,454	662,359	158,191	136,646	41.69	7,926	22,528,934	315,157	444,840	1,505,047
North Carolina	30,821	121,252	26,764	22,360	29.67	1,571	2,612,038	25,631	59,848	295,391
North Dakota	466	3,319	705	421	37.22	46	64,814	4,708	5,167	67,56
Ohio	54,554	183,442	47,695	31,192	39.84	1,950	5,121,748	63,340	173,132	552,014
Oklahoma	5,910	42,386	9,971	7,239	27.99	627	836,502	10,274	15,240	57,709
Oregon	11,508	52,855	12,495	10,360	37.63	849	1,605,345	28,188	38,142	115,644
Pennsylvania	92,041	309,298	75,172	58,042	35.97	2,356	8,179,840	99,157	316,755	627,442
Puerto Rico	8/32,053	8/106,319	8/32,105	11,678	18.60	3,215	924,318	9/16,249	25,286	70,507
Rhode Island	15,928	40,356	10,740	8,500	39.04	546	1,357,007	13,074	22,585	68,982
South Carolina	11,231	59,071	14,650	10,705	32.15	1,362	1,418,216	14,099	27,483	119,130
South Dakota	370	2,533	574	374	30.18	68	44,947	1,578	2,763	16,392
Tennessee	15,099	101,938	24,590	18,542	32.29	2,004	2,307,541	25,111	50,656	151,178
Texas	18,978	87,359	20,974	15,318	31.29	1,819	1,957,267	27,522	63,779	308,615
Utah	3,280	20,347	4,960	3,570	38.51	329	567,858	10,005	12,332	42,572
Vermont	2,092	8,487	1,992	1,530	37.49	75	224,785	3,678	9,859	18,108
Virginia	7,276	31,524	7,371	5,316	31.50	717	691,530	9,177	24,270	175,621
Washington	25,382	75,535	20,043	10,351	32.75	461	1,411,186	34,469	73,755	279,864
West Virginia	9,481	39,575	9,751	6,929	26.20	523	740,911	10,519	20,260	77,708
Wisconsin	23,908	73,495	18,301	12,728	45.68	584	2,379,653	38,051	64,735	264,609
Wyoming	494	2,781	615	470	37.11	48	70,826	2,250	4,174	13,110

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of a 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan, Includes $31,919 in payments under extended duration provisions of State laws in Puerto Rico.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund.
*Estimated by State agency.

Selected Unemployment Insurance Statistics, Federal Programs,[1] July 1967

State	UCFE					UCX				
	Initial claims received [2]	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid [3]	Average weekly payments for all unemployment [4]	Initial claims received [2]	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid [3]	Average weekly payments for all unemployment [4]
Total	11750	82188	16028	$2754105	$40.91	21955	96236	17906	$3124601	$41.55
Alabama	375	3164	601	87715	34.75	377	1935	382	57464	35.85
Alaska	150	1251	353	67235	45.40	47	222	51	11021	51.50
Arizona	252	1480	330	55350	39.73	314	1416	260	44171	40.38
Arkansas	91	877	105	14571	33.04	200	929	170	26143	36.56
California	1262	15483	2418	507518	49.98	3550	20812	3254	663929	48.58
Colorado	147	548	55	10676	46.42	310	893	136	26716	46.62
Connecticut	53	455	79	15016	45.37	217	730	136	22904	40.11
Delaware	17	132	15	2722	41.88	88	246	46	8848	45.37
Dist. of Col.	359	2776	727	145217	47.57	92	481	101	18932	44.76
Florida	292	1126	163	19445	28.47	397	1510	277	37817	32.49
Georgia	296	1893	324	51336	37.72	288	1908	365	62475	40.78
Hawaii	130	1081	310	70308	54.08	200	967	226	50218	52.97
Idaho	64	106	16	2438	36.94	117	237	59	10821	43.81
Illinois	371	3160	666	106429	38.02	742	2325	443	75986	40.87
Indiana	123	653	115	16456	34.00	418	1215	240	38448	38.14
Iowa	16	221	45	7921	41.47	136	536	116	22091	45.27
Kansas	78	543	110	18701	40.48	167	573	116	22330	45.75
Kentucky	136	1186	221	32546	35.03	429	2588	491	86635	42.04
Louisiana	215	1276	186	28283	36.21	402	2208	412	70412	40.72
Maine	23	212	*66	*8252	*29.90	69	262	*44	*7211	*39.77
Maryland	151	931	188	32604	41.27	408	997	222	40579	43.45
Massachusetts	409	3369	787	150437	45.50	466	2296	521	100450	45.91
Michigan	291	1475	320	56880	42.32	1110	5961	848	151928	42.68
Minnesota	76	436	95	15565	39.01	249	1096	255	44401	41.42
Mississippi	154	1254	274	31290	27.23	127	543	116	14263	29.23
Missouri	373	1358	308	46366	35.86	478	1569	344	58283	40.31
Montana	46	288	48	6708	33.04	83	306	65	9127	33.31
Nebraska	55	432	93	13661	34.85	57	211	43	6525	36.45
Nevada	67	392	65	11033	40.56	84	398	89	16316	43.86
New Hampshire	19	68	17	2731	37.93	47	153	26	5243	47.23
New Jersey	449	2943	556	102173	43.76	602	3141	615	111211	43.07
New Mexico	129	686	143	21204	35.40	176	725	154	24426	37.81
New York	884	6831	1331	245277	43.52	1468	5412	979	165039	40.15
North Carolina	235	1645	316	44240	33.36	313	1614	301	51240	40.47
North Dakota	18	200	25	4235	39.95	47	168	19	3228	41.38
Ohio	247	1816	489	79182	38.53	1203	4456	684	116069	40.41
Oklahoma	139	1518	304	38244	29.97	174	1171	208	28764	32.95
Oregon	100	709	147	21313	34.49	289	1536	307	55742	43.24
Pennsylvania	609	4888	1004	163180	38.70	1903	8178	1565	268539	40.86
Puerto Rico	65	490	99	8225	19.77	276	1614	305	26497	20.68
Rhode Island	80	729	175	34187	46.51	162	602	132	24009	43.18
South Carolina	120	674	129	18562	34.18	213	1104	220	36695	39.67
South Dakota	80	343	62	8821	33.67	20	164	35	5111	34.30
Tennessee	296	2380	612	92838	36.12	426	2581	540	82601	36.42
Texas	423	2620	523	72144	32.84	744	2935	644	97590	36.06
Utah	155	1292	251	48984	46.39	134	774	140	24332	41.24
Vermont	15	79	14	2512	41.87	33	88	15	2524	41.38
Virginia	132	558	84	11882	33.66	180	626	112	18430	39.05
Virgin Islands	0	3	1	272	45.33	2	1	0	0	0
Washington	1303	5070	442	68805	37.09	1112	2127	337	55164	38.93
West Virginia	47	255	49	4952	23.92	475	2061	441	61955	33.43
Wisconsin	112	719	143	25111	41.78	306	1502	271	49081	43.17
Wyoming	21	114	26	4352	39.21	28	133	27	4667	40.58

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955 and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

*Estimated by State agency.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	April 1967	March 1967	April 1967	March 1967	April 1967	March 1967	April 1966	March 1966
California								
State plan								
Basic benefits	49,163	56,582	286,008	330,165	$16,089,182	$18,533,088	$15,603,059	$18,483,161
Additional hospital benefits	1/28,707	1/35,059	2/208,119	2/252,996	2,497,428	3,035,952	2,555,268	3,068,904
Private plan	3,610	4,276	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	7,897	8,795	62,034	93,210	2,556,197	2,808,443	2,377,745	2,644,505
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	3,052	3,638	29,625	33,411	1,091,958	1,230,563	1,006,698	1,190,335
Railroad								
Sickness	7,423	9,428	4/72,294	5/87,466	1,993,132	2,591,219	2,391,831	3,388,669
Maternity	111	142	4/1,904	5/2,218	134,124	154,987	126,603	154,017

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 36,147 for sickness and 952 for maternity.
5/ Estimated from data "benefit periods" compensated which number 43,733 for sickness and 1,109 for maternity.

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	May 1967	April 1967	May 1967	April 1967	May 1967	April 1967	May 1966	April 1966
California								
State plan								
Basic benefits	55,148	49,163	322,575	286,008	$18,267,140	$16,089,182	$16,037,621	$15,603,059
Additional hospital benefits	1/30,569	1/28,707	2/221,086	2/208,119	2,653,032	2,497,428	2,572,572	2,555,268
Private plan	3,700	3,610	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New Jersey								
State plan	8,943	7,897	67,135	62,034	2,676,453	2,556,197	2,354,431	2,377,745
Private plan	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
New York	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)	(3/)
Rhode Island	3,448	3,052	31,226	29,625	1,159,227	1,091,958	996,660	1,006,698
Railroad								
Sickness	7,845	7,423	4/77,452	5/72,294	2,177,472	1,993,132	2,422,944	2,391,831
Maternity	116	111	4/1,886	5/1,904	131,368	134,124	134,693	126,603

1/ Represents the number of payments made.
2/ Days for which additional hospital benefits were paid.
3/ Data not available.
4/ Estimated from data "benefit periods" compensated which number 38,726 for sickness and 943 for maternity.
5/ Estimated from data "benefit periods" compensated which number 36,147 for sickness and 952 for maternity.

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NOTE.—A separate monthly report, *Unemployment Insurance Statistics*, provides more detailed data on unemployment insurance activities. Copies of *Unemployment Insurance Statistics* are available upon request to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C. 20210.

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